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**INTREPID TRAVEL GROUP UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**INTREPID TRAVEL GROUP UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J P Thornton D A Wade Z Bencheikh M R J Burnett
<b>Registered number</b>	01826936
<b>Registered office</b>	4th Floor 9 Brighton Terrace London SW9 8DJ
<b>Independent auditors</b>	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

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**INTREPID TRAVEL GROUP UK LIMITED**

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## INTREPID TRAVEL GROUP UK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Introduction

The Directors present their Strategic Report on Intrepid Travel Group UK Limited ("the Company") for the year ended 31 December 2022.

#### Principal Activity

The Company's principal activity is that of a tour operator and agent specialising in adventure holidays.

#### Review of the business, future developments and Key performance indicators

The operations and financial performance of the Company were materially impacted in prior years by the COVID-19 pandemic, however in 2022 the Company began the next phase of recovery and significantly increased revenue as a result of the bounce back in travel in the market.

The Company's loss before taxation for the year ended 31 December 2022 was £778k (2021 loss : £1.663m).

The decrease in loss over the prior year is attributable primarily to the travel market recovery in the UK as countries re-opened and customers returned to the market. As a result, growth in revenue in 2022 was strong and just below 2019 levels.

No dividend (2021: Nil) was paid during the year. The Directors do not recommend the payment of a final dividend.

The Company's cash position as at 31 December 2022 was £7.274m (2021: £612k). The movement in cash is due to increases in customer deposits, offset by the losses incurred during the year and timing of the repayment of intercompany payables.

To understand the development, performance and positioning of its business, historically revenue has been the main Key Performance Indicator ("KPI") that is measured and monitored along with profit before tax (PBT). However, given the losses attributable to impacts of COVID-19 during the first half of the year, a greater emphasis has been placed on cash balances and operating costs again for 2022.

	2022 £000	2021 £000
Revenue	8,314	425
Loss before Tax	(778)	(1,663)
Closing Cash	7,274	612

The increase in revenue was due to the increase in travel demand as a result of winding back of the Government imposed travel restrictions introduced to stop the spread of COVID-19. This also impacted on the cash and loss before tax, however the Company's net asset position is negative at -£254k (2021: net asset position of £524k).

As in previous years, current liabilities include customer deposits of £6.9m (2021: £3.9m). A significant portion of this balance is expected be realised in the ordinary course of business as operations resume and is therefore not expected to be settled in cash and if it is excluded, the Company has net current assets of £6.7m at 31 December 2022. The Company also benefits from the support of its ultimate parent, Intrepid Group Pty Limited.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**Coronavirus impact**

The impact of the disruption due to COVID-19 has substantially decreased in 2022 and the Company is now trading under normal circumstances. Policies and procedures are in place globally to mitigate any operational impacts of COVID-19 on our trips.

**Future developments**

Recent trading has been well above pre-pandemic levels and the Company has considered various scenarios in relation to its forecast performance and cash flows for at least the next 12 months. The Company is forecast to have sufficient cash to meet its debts as and when they fall due. In addition, the Company has the opportunity to raise further capital (equity or debt) during the next 12 months if required.

**Principal risks and uncertainties**

Outside of the risk relating to COVID-19 impacts over the last 3 years, the principal risks and uncertainties which are common to the Company are:

- **Consumer preferences and desires.** Price, product and digital solutions play a key part in the consumer's decision-making process. Customers are increasingly turning to online options to research and book holidays and are moving towards booking nearer the time of travel. A risk exists that we do not identify or respond quickly enough to changes in consumer preferences and do not keep up with the latest technological developments. The impact of this risk is that our market position comes under pressure resulting in lower growth rates and margins. We continue to develop our technology to ensure that we provide a superior customer experience and focus on our target consumer demographics. We also continue to expand and refine our product range to meet changing preferences.
- **Business improvement opportunities.** The Company is heavily reliant on legacy systems, processes and structures which in some cases are outdated, complex and inefficient. If we do not address the systems' inefficiencies, we may incur higher costs due to inefficiencies and impact our ability to optimise business performance and provide a value-added service to our consumers. The company has a capital program in place to continue our digital transformation strategy and ensure that we have the right platform for the future growth of the business.
- **Global financial factors.** Geo-political events continue to highlight the inherent risks within travel and tourism. The cross-border nature of trading exposes our business to fluctuations in exchange rates and complex tax laws. With the UK now no longer part of the European Union, uncertainty remains as to the short and long-term impact such exit will have on the travel industry and the ability to operate across Europe, however this is not considered to be a major risk at this point. We closely monitor events, legal and economic changes and address where necessary.
- **Talent management.** The Company's success depends on its ability to retain key management and it relies on having good relations with its colleagues. If we are unable to attract and retain talent, build future leadership capability and the trust of our employees, we risk not maximising on our operating results and financial performance. The Group has developed strategies and a remuneration framework designed to reward and retain key staff.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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Principal risks and uncertainties continued

• **Political volatility, natural catastrophes and outbreaks.** The provision of the Company's holidays and travel services is exposed to the inherent risk of domestic and/or international incidents affecting some of the countries/destinations within our operations. The inability to respond efficiently and effectively to large scale events could lead to significant operational disruption leading to reduced profits/larger losses caused by holiday cancellations and/or repatriation of customers and a general decline in consumer demand. The Group deals with this by having a diverse range of products in countries all around the world that makes it easy for the consumer to change destinations in the case of this risk. We also have detailed incident response policies and procedures that are fully tested and used where needed.

• **Regulatory environment.** The Company is exposed to various regulators, including the Civil Aviation Authority ("CAA"), which issues an Air Travel Organisers Licence ("ATOL") and is required in order for the Company to operate. This licence is renewed in September each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA's website ([www.caa.co.uk](http://www.caa.co.uk)). The Company is also a member of the Association of British Travel Agents ("ABTA") and as such is obliged to maintain a high standard of service as governed by ABTA's code of conduct.

• **Cyber Security.** With an ever-changing operating environment, the Company operates in a highly secure environment, aimed at ensuring risk is mitigated with multi-level security protocols following industry best practice and diligence with security staff ensuring the organisation is up to date with knowledge on threats and preventative actions. We have a dedicated team monitoring cyber risk and continue to invest in this area as the landscape changes to ensure this risk is mitigated.

During the year, the Directors managed these risks and uncertainties of the Company in co-ordination with its immediate and ultimate parent companies.

Risks are managed via a corporate governance framework which includes quarterly risk reviews carried out by the group management and reported to the Intrepid Audit and Risk Committee and the Intrepid Group Board.

This report was approved by the board on 7 June 2023 and signed on its behalf.

**M R J Burnett**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**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 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

**Results and dividends**

The loss for the year, after taxation, amounted to £778k (2021 - loss £1,431m).

No dividend (2021: £Nil) was paid during the year. The Directors do not recommend the payment of a final dividend.

**Directors**

The directors who served during the year were:

J P Thornton  
D A Wade  
Z Bencheikh  
M R J Burnett

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.

**Branches outside the United Kingdom**

The Company has no branches outside the United Kingdom.

**Directors Indemnity**

The Company had a qualifying third-party indemnity in force during the financial year and up to the date of approval of the financial statements.

**Going Concern**

The Directors have considered the outlook for the company, its relationship with the parent group and the availability of continued financial support from that parent through a letter of financial support and have concluded that the Company has adequate access to resources to continue in operational existence for at least 12 months. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. The support from the ultimate parent Intrepid Group Pty Limited has been confirmed for at least 12 months after the signing of these audited statutory financial statements.

**Post balance sheet events**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Financial risk management objectives and policies**

**Cash flow risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company does not hedge its exposure to these.

**Credit Risk**

The Company's principal financial assets are bank balances and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. Although trade receivables are predominantly intercompany, the risk of external trade receivables being unrecoverable has increased in light of COVID-19. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.



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**INTREPID TRAVEL GROUP UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Financial risk management objectives and policies continued**

**Liquidity risk**

The Company is supported by its parent and where necessary liquidity is provided by its parent.

**Auditors**

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 June 2023 and signed on its behalf.

M R J Burnett  
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTREPID TRAVEL GROUP UK LIMITED

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**Opinion**

We have audited the financial statements of Intrepid Travel Group UK Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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.

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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTREPID TRAVEL GROUP UK LIMITED (CONTINUED)

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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.

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

In the light of the knowledge and understanding of the 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.

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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTREPID TRAVEL GROUP UK LIMITED (CONTINUED)

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities 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, 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTREPID TRAVEL GROUP UK LIMITED (CONTINUED)

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**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:

- We exercise professional judgment and maintain professional skepticism throughout the audit;
- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the deliberate override of internal control;
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- We assess the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- We review the scope of the Company's compliance with The Package and Linked Travel Arrangements Regulations 2018 ("PTRs") and sample test relevant documentation to assess this and the effectiveness of its control environment;
- We request and review the minutes of management meetings, and assess any matters identified not already provided for or disclosed that may materially impact the financial statements;
- We review the Company's relationships with related parties, identifying and disclosing transactions during the year and balances at year-end with such parties;
- We conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTREPID TRAVEL GROUP UK LIMITED (CONTINUED)

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**Use of our report**

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 Auditors' 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.

M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)

for and on behalf of

**White Hart Associates (London) Limited**

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

7 June 2023

INTREPID TRAVEL GROUP UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	8,314	425
Cost of sales		(1,877)	(203)
<b>Gross profit</b>		<b>6,437</b>	<b>222</b>
Administrative expenses		(7,235)	(2,793)
Other operating income		4	908
<b>Operating loss</b>	5	<b>(794)</b>	<b>(1,663)</b>
Interest receivable and similar income		16	-
<b>Loss before tax</b>		<b>(778)</b>	<b>(1,663)</b>
Tax on loss	9	-	232
<b>Loss for the financial year</b>		<b>(778)</b>	<b>(1,431)</b>
<b>Total comprehensive income for the year</b>		<b>(778)</b>	<b>(1,431)</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 15 to 29 form part of these financial statements.

**INTREPID TRAVEL GROUP UK LIMITED**  
**REGISTERED NUMBER: 01826936**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	10	353	385
Tangible assets	11	78	76
		<u>431</u>	<u>461</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	3,114	4,094
Cash at bank and in hand	13	7,274	612
		<u>10,388</u>	<u>4,706</u>
Creditors: amounts falling due within one year	14	(10,842)	(4,619)
<b>Net current (liabilities)/assets</b>		<u>(454)</u>	<u>87</u>
<b>Total assets less current liabilities</b>		<u>(23)</u>	<u>548</u>
Creditors: amounts falling due after more than one year	15	(51)	-
<b>Provisions for liabilities</b>			
Other provisions	16	(180)	(24)
<b>Net (liabilities)/assets</b>		<u><u>(254)</u></u>	<u><u>524</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	2,700	2,700
Profit and loss account		(2,954)	(2,176)
		<u><u>(254)</u></u>	<u><u>524</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2023.

**M R J Burnett**  
Director

The notes on pages 15 to 29 form part of these financial statements.



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INTREPID TRAVEL GROUP UK LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	2,700	(745)	1,955
Loss for the year	-	(1,431)	(1,431)
At 1 January 2022	2,700	(2,176)	524
Loss for the year	-	(778)	(778)
At 31 December 2022	2,700	(2,954)	(254)

The notes on pages 15 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**1. General information**

Intrepid Travel Group UK Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private Company limited by shares and is registered in England. The address of the registered office is 4th Floor, 9 Brighton Terrace, London, SW9 8DJ. The nature of the Company's operation and its principal activity are set out in the Strategic Report.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest thousand £.

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the following exemptions in its financial statements:

- from preparing a statement of cash flows, on the basis that the Company's results are included in the Group's consolidated statement of cash flows; FRS 102 p1.12(b).
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures, FRS 102 p1.12(c).
- Section 33 'Related Party Disclosures': Compensation for key management personnel and exemption permitted not to provide details of transactions entered into with other wholly-owned members of the group.

The Company is consolidated in the financial statements of its ultimate parent, Intrepid Group Pty Limited (being the smallest and largest consolidated Group), incorporated in Australia, which may be obtained at [www.asic.gov.au](http://www.asic.gov.au) and at the company address, Intrepid Group Pty Limited, Level 7, 567 Collins Street, Melbourne, VIC 3000, Australia.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have considered the outlook for the Company, its relationship with the ultimate parent Intrepid Group Pty Limited and the availability of continued support from that parent and have concluded that the Company has adequate access to resources to continue in operational existence for at least 12 months from the date of signing the financial statements. A letter of support has been signed to this effect by the parent company. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. The support from Intrepid Group Pty Limited has been confirmed for at least 12 months after the signing of these audited statutory financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 2-13 Years straight line
Fixture, fittings and equipment	- 2-13 Years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.4 Intangible assets - goodwill**

Goodwill arising on acquisitions of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.5 Impairment of assets**

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses related to Goodwill are never reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.6 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 stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

There is an annual bonus scheme for all employees and these costs are recognised within the year to which they relate.

The Company participates in a defined contribution pension scheme. The amount charged to the Statement of Comprehensive Income in respect of this scheme is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.7 Taxation**

Tax is recognised in profit or loss except that a charge 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.

**2.8 Foreign currency translation**

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction or, where forward cover has been arranged, at the contractual rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates ruling at the balance sheet date or at a contractual rate if applicable and any exchange differences arising are taken to the Statement of Comprehensive Income.

**2.9 Operating leases: the Company as lessee**

Where the Company obtains assets under leasing arrangements which transfer substantially all the risks and rewards of ownership of an asset to the Company as lessee, the lower of the fair value of the leased asset or the present value of the minimum lease payments is capitalised as an asset with a corresponding liability representing the obligation to the lessor.

Lease payments are treated as consisting of a capital element and a finance charge, the capital element reducing the obligation of the lessor and the finance charge being written off to the statement of comprehensive income at a constant rate over the period of the lease in proportion to the capital amount outstanding. Depreciation is charged over the shorter of the estimated useful life and the lease period.

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Rental costs arising under operating leases are expensed on a straight-line basis over the term of the operating lease.

**2.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.11 Turnover and payment on account**

All turnover represents the aggregate value of revenue receivable (excluding VAT) from package holidays and commission earned on sales of product on behalf of other entities within the Intrepid Group.

**(i) Revenue recognition**

Revenue is recognised when the risk and rewards associated with a product or service is transferred to the buyer. Revenue in respect of in-house holiday products is recognised over the course of the trip as the service is provided, with the exception of cancellation and amendment income which is recognised at the time of the transaction. Revenue in respect of flights is recognised at the time of departure. Commission earned in respect of the Intrepid Group travel products, along with related costs, are recognised in the Statement of comprehensive Income on the date of departure.

**(ii) Client monies received in advance (payments received on account)**

Client monies received at the balance sheet dates relating to holidays commencing and flights departing after the year end, are deferred and included within payments received on account as a creditor falling due within one year.

**(iii) Valuation of revenue**

Where the Company acts as principal, revenue is stated at the contractual value of goods and services provided. Where the Company acts as an agent between the service provider and the end customer, revenue is recognised as the value of the commission received from the service provider when earned. Businesses are identified as being intermediaries dependent on a number of criteria, principally the control exercised over the provision of service, inventory risk and customer credit risk.

**2.12 Other operating income**

Other operating income comprises mainly cancellation income and commission income in respect of insurance referrals. Cancellation is recognised at the point of cancellation by the customer, commission on insurance income is recognised at the point of booking.

**2.13 Marketing and other direct sales costs**

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred and reported through administrative expenses in the statement of comprehensive income.

**2.14 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

**2.15 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.16 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.17 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.18 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidence a residual interest in the assets of the Company after deducting all of its liabilities.

**(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial assets or financial liabilities are measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

**(ii) Equity instruments**

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

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's policies the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 that are considered relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Revenue Recognition: In making its judgement, management consider and apply the detailed criteria for the recognition of revenue from the sale of goods set out in FRS102 Section 23 Revenue and, in particular, whether the company is acting as an agent or principal.

(ii) Goodwill: The Company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions to the identified CGU. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments and the countries in which they operate. There is a significant risk that changes in some of the assumptions could result in material adjustments to the carrying amounts of assets.

(iii) Impairment of Debtors: The Company tests annually whether there is the potential for impairment of Trade Receivables and has made a provision for doubtful debts if this was found to be the case.

(iv) Tangible Assets: The Company does an annual asset impairment review for all tangible assets held in the Fixed Asset register. Write off will occur if the asset cannot be verified. The useful economic life of the assets are reviewed in line with Group policy.

The directors consider that there are no key sources of estimation uncertainty in the financial statements.



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INTREPID TRAVEL GROUP UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Commission income	6,661	286
Sale of packaged tours	1,653	140
	<u>8,314</u>	<u>426</u>

Analysis of turnover by market (Origin):

	2022 £000	2021 £000
United Kingdom	8,314	425
	<u>8,314</u>	<u>425</u>

**5. Operating loss**

The operating loss is stated after charging:

	2022 £000	2021 £000
Amortisation – intangible fixed assets	32	-
Depreciation – tangible fixed assets	33	-
(Profit)/loss on foreign exchange transactions	(24)	67
Other operating lease rentals	<u>256</u>	<u>167</u>

**6. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors:

	2022 £000	2021 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>17</u>	<u>33</u>

**INTREPID TRAVEL GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. Employees**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>1,687</b>	<i>986</i>
Social security costs	<b>152</b>	<i>92</i>
Cost of defined contribution scheme	<b>46</b>	<i>39</i>
	<b><u>1,885</u></b>	<i><u>1,117</u></i>

During the year, the Company recognised £Nil (2021: £182k) in government assistance in the form of Wage Subsidy in the United Kingdom. This has been recognised separately under other operating income in the Statement of Comprehensive Income.

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Administration	<b>15</b>	<i>2</i>
Tour operations	<b>1</b>	<i>1</i>
Marketing	<b>9</b>	<i>6</i>
Sales	<b>20</b>	<i>18</i>
	<b><u>45</u></b>	<i><u>27</u></i>

**8. Directors' remuneration**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Directors' emoluments	<b>24</b>	<i>95</i>
	<b><u>24</u></b>	<i><u>95</u></i>

The directors are the only key management personnel. Only one director was paid by the Company, so the balances stated above are also the highest paid director remuneration. The other directors are remunerated by other companies within the group and it was not possible to reliably attribute their remuneration to their work for the Company.

INTREPID TRAVEL GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Taxation

	2022 £000	2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	-	(264)
	-	(264)
<b>Total current tax</b>	<u>-</u>	<u>(264)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	32
<b>Total deferred tax</b>	<u>-</u>	<u>32</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>-</u>	<u>(232)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	<u>(778)</u>	<u>(1,663)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(148)	(316)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	(68)
Adjustments to tax charge in respect of prior periods	-	(264)
Derecognition of carry forward tax losses	147	387
Derecognition of deferred tax assets (non-tax losses) previously recognised	-	29
<b>Total tax charge for the year</b>	<u>-</u>	<u>(232)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Taxation (continued)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 11 March 2021). These include increases to the main rate of tax from 19% to 25% from 1 April 2023 for profits exceeding £50,000. Deferred taxes at the Statement of Financial Position date have been measured using the rates that will be applicable in the periods to which they relate.

10. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 January 2022	4,986
	<hr/>
At 31 December 2022	4,986
	<hr/>
<b>Amortisation</b>	
At 1 January 2022	4,601
Charge for the year on owned assets	32
	<hr/>
At 31 December 2022	4,633
	<hr/>
<b>Net book value</b>	
At 31 December 2022	353
	<hr/>
<b>At 31 December 2021</b>	385
	<hr/>

Amortisation charge reported through administrative expenses in the statement of comprehensive income.

INTREPID TRAVEL GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2022	295	100	395
Additions	-	36	36
At 31 December 2022	295	136	431
<b>Depreciation</b>			
At 1 January 2022	239	80	319
Charge for the year on owned assets	12	22	34
At 31 December 2022	251	102	353
<b>Net book value</b>			
At 31 December 2022	44	34	78
<b>At 31 December 2021</b>	56	20	76

Depreciation charge reported through administrative expenses in the statement of comprehensive income.

12. Debtors

	2022 £000	2021 £000
Trade debtors	200	5
Amounts owed by group undertakings	2,088	1,871
Other debtors	148	26
Social security and other taxes receivable	-	188
Security deposits	221	1,447
Prepayments and accrued income	457	557
	<b>3,114</b>	<b>4,094</b>

The security deposits of £221k (2021: £1.447m) are recoverable and fall due within one year. Amounts owed by Group undertakings are unsecured, bear no interest and are repayable on demand.

**INTREPID TRAVEL GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. Cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Cash at bank and in hand	7,274	612
	<u>7,274</u>	<u>612</u>

**14. Creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Payments received on account	6,996	3,984
Trade creditors	16	259
Amounts owed to group undertakings	3,062	23
Other creditors	131	63
Accruals	637	290
	<u>10,842</u>	<u>4,619</u>

Amounts owed to Group undertakings are unsecured, bear no interest and are repayable on demand.

**15. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Other creditors	51	-
	<u>51</u>	<u>-</u>

**16. Provisions**

	<b>Provisions</b>
	<b>£000</b>
At 1 January 2022	25
Charged to profit or loss	155
<b>At 31 December 2022</b>	<u><u>180</u></u>

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INTREPID TRAVEL GROUP UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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17. Share capital

	2022 £000	2021 £000
<b>Allotted, called up and fully paid</b>		
2,700,000 (2021 - 2,700,000) Ordinary shares of £1.00 each	<u>2,700</u>	<u>2,700</u>

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £39k (2021 - £46k). Contributions totalling £23k (2021 - £20k) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Not later than 1 year	278	247
Later than 1 year and not later than 5 years	764	883
	<u>1,042</u>	<u>1,130</u>

20. Related party transactions

There are no transactions with related parties not wholly owned by the Group headed by Intrepid Group Pty Limited. The Company is exempt from disclosing related party transactions with its parent or with members of the same Group headed by Intrepid Group Pty Limited.

21. Post balance sheet events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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**INTREPID TRAVEL GROUP UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**22. Controlling party**

The Company is a subsidiary undertaking of Intrepid Group Pty Limited - a company registered in Australia, which is the ultimate parent company and controlling party. The immediate parent company is Intrepid Travel Pty Limited - a company registered at Level 7, 567 Collins Street, Melbourne, VIC 3000, Australia.

The group in which the results of the Company are consolidated is that headed by Intrepid Group Pty Limited. No other group financial statements include the results of the Company. Intrepid Group Pty Limited is the largest and smallest group of which the company is a member and for which group financial statements are prepared.

Copies of the Intrepid Group Pty Limited financial statements are available from The Secretary, Intrepid Group Pty Limited, Level 7, 567 Collins Street, Melbourne, VIC 3000, Australia.



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