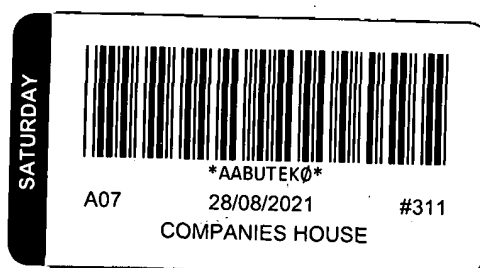


Intrepid Travel Group UK Limited  
Company number 01826936

Intrepid Travel Group UK Limited  
Annual report and financial statements  
for the year ended 31 December 2020  
Company number 01826936

Companies House  
25 Abchurch Lane  
London EC4N 3DF  
01826936



**Intrepid Travel Group UK Limited**  
**Company number 01826936**

**COMPANY INFORMATION**

Directors	J P Thornton D A Wade M R J Burnett (appointed 30 October 2020) Z Bencheikh (appointed 30 October 2020)
Registered number	01826936
Registered office	4 <sup>th</sup> Floor 9 Brighton Terrace London England SW9 8DJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge CB4 0DS

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## **STRATEGIC REPORT**

The Directors present their Strategic Report on Intrepid Travel Group UK Limited ("the Company") for the year ended 31 December 2020.

### **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**

2020 results were heavily impacted by the COVID-19 pandemic which resulted in the business entering a sustained period of hibernation with global travel restrictions imposed by governments around the world. The Company's loss before taxation for the year ended 31 December 2020 was £973,000 (2019 profit: £536,000, restated £552,000). The decline in profit from the prior year is attributable primarily to the impacts of COVID-19 and the resultant travel restrictions.

No dividend (2019: £491,000) 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 2020 was £470,000 (2019: £5,008,000). The decrease in cash is due to 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 downturn attributed to Covid-19 a greater emphasis has been placed on cash balances and operating costs.

	Year ended 31 December 2020 £000	Restated Year ended 31 December 2019 £000
Revenue	1,627	9,681
(Loss)/profit before Tax	(973)	552
Closing Cash	470	5,008

The decrease in revenue was due to the reduction in travel demand as a result of the COVID-19 pandemic and the Government imposed travel restrictions introduced to stop the spread of the virus. This also impacted on the cash and loss before tax, however the company net asset position continues to be positive at £1,955,000 (2019: £2,939,000).

### **Coronavirus impact**

The Directors continue to monitor the COVID-19 pandemic very closely. When global restrictions were introduced, limiting all but essential travel, the company undertook a significant repatriation exercise for all our customers to bring them back to the UK as quickly and as safely as possible. The Company continues to be restricted on where it can send its customers on holidays, so is working closely with those customers affected to either rebook to a future date or provide them with a refund. Intrepid recently resumed operations with a select range of new tours developed closer to their source markets

In response to the pandemic the Company has introduced significant cost reduction initiatives and local domestic travel products. During 2020, a limited number of trips to mainly European short haul destinations were booked and operated. To offset the immediate impact of the pandemic, Intrepid Travel Group UK Limited took decisive actions including furloughing the majority of staff, reducing staffing levels by approximately 40%, lease deferrals and reducing all non-committed expenditure to almost nil. The office closed on 24 March and staff commenced working from home. Between April 2020 and December 2020 approximately £456,000 of government funding has been accessed via furlough

### Future Developments

The company continues to monitor travel destination opportunities in line with UK government advice and remains dynamic in scheduling trips where possible. With a normal travel market not expected to return in the near term, the Company has a significant period of uncertainty ahead. Whilst it is difficult at this stage to quantify the full financial impact of the outbreak, it is currently, and will undoubtedly continue to, have an impact on the Company's financial performance and position in 2021, which the directors are looking to mitigate through continued cost reduction initiatives and sales of domestic and European travel products. Operating expenses are continually reviewed and are being kept to minimal levels and have also been supplemented by the utilisation of the government furlough scheme. Intrepid is continuing to use this time to reimagine the business and ensure that it can rebound stronger than ever.

The Company is reasonably placed financially to weather the storm, benefitting from the support of its ultimate parent, Intrepid Group Limited. On 31 December 2020, Intrepid Group Limited (parent company) signed a Subscription Agreement with Genaigy SAS for 43,741,605 ordinary shares in the company for an initial subscription price of \$60 million AUD, with an additional \$16.8 million AUD payable if certain future performance metrics are met. The transaction was completed on the 1st April 2021 with the \$60 million AUD initial subscription price received on that date.

In October 2020, the Intrepid Group revised its 2025 strategic plan to incorporate the impacts of COVID-19 and is well placed to both overcome the immediate impacts of COVID-19 as well as prosper in its aftermath.

The Company is expected to continue with the principal activities as stated above and is not expected to be impacted by Brexit.

### Principal risks and uncertainties

The current COVID-19 pandemic has highlighted the impact a global health emergency can have on the business and has demonstrated the reliance the business places on the wider global health situation and the impact this has on the ability for movement of tourists around the world. The business can respond to localised outbreaks by re-directing customers however any further global pandemics would continue to have a significant impact on the ability of the business to trade effectively. As detailed above and in the Directors' Report, COVID-19 can have an impact on business, credit and liquidity risks.

The Group continually monitors travel restrictions caused by COVID-19 and has sufficient cash reserves and facilities to address any prolonged global travel restrictions.

Outside of the significant risk relating to COVID-19 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.
- **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 operates in a highly regulated environment, particularly in relation to consumer protection, aviation and the environment. If we do not maintain an effective system of internal control to ensure we operate in compliance with all legal and regulatory requirements, we could suffer negative impact, damaging reputation and leading to reduced revenues and/or higher input costs. We monitor regulatory change and report on compliance bi-monthly to our audit committee and Board.
- **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. On behalf of the Board



M Burnett  
Director  
Company number: 01826936

Dated: 6<sup>th</sup> August 2021

## DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of Intrepid Travel Group UK Limited ("the Company") for the year ended 31 December 2020.

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements unless otherwise indicated were as follows:

J P Thornton

D A Wade

M R J Burnett – appointed 30 October 2020

Z Bericheikh – appointed 30 October 2020

### Disclosure of information to Auditors

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.

### 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 Limited has been confirmed for at least 12 months after the signing of these audited statutory financial statements.

### Post balance sheet events

As mentioned in the Strategic report, on 31 December 2020, Intrepid Group Limited (parent company) signed a Subscription Agreement with Genaigy SAS for 43,741,605 ordinary shares in the company for an initial subscription price of \$60 million AUD, with an additional \$16.8 million AUD payable if certain future performance metrics are met. The transaction was completed on the 1st April 2021 with the \$60 million AUD initial subscription price received on that date.

### 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. 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.

**Liquidity risk**

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

**Dividends**

No interim dividend (2019: £491,400) was paid during the year. The Directors do not recommend the payment of a final dividend.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102 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 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 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.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be reappointed and are deemed to be reappointed unless otherwise resolved by the directors or shareholder.

On behalf of the Board



**M Burnett**  
**Director**

Date: 6<sup>th</sup> August 2021  
Company number: 01826936



# Independent auditors' report to the members of Intrepid Travel Group UK Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Intrepid Travel Group UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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: Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income, the 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.

### 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.

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 2020 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Company's Air Travel Organiser's License, data protection requirements in the jurisdictions in which the Company operates and holds data, tax legislation and employment regulations, 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 posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, and inappropriately including or excluding transactions from the company's underlying performance metrics. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Reviewing minutes of meetings of those charged with governance;
- Identifying and testing unusual journal entries. In particular, journal entries posted with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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.

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](http://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.

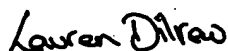
## **Other required reporting**

### **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.



Lauren Dilrew (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge  
6 August 2021

**Intrepid Travel Group UK Limited**

Company number 01826936

**Statement of Comprehensive Income for the year ended 31 December 2020**

	Note	Year ended 31 December 2020 £'000	Restated* Year ended 31 December 2019 £'000
<b>Turnover</b>	3	<b>1,627</b>	<b>9,681</b>
<b>Cost of sales</b>		<b>(445)</b>	<b>(2,903)</b>
<b>Gross profit</b>		<b>1,182</b>	<b>6,778</b>
Administrative expenses		(3,354)	(7,295)
Other operating income		1,199	1,069
<b>Operating (loss)/profit</b>	4	<b>(973)</b>	<b>552</b>
<b>(Loss)/profit before taxation</b>		<b>(973)</b>	<b>552</b>
Tax on (loss)/profit	8	(11)	(172)
<b>(Loss)/profit for the financial year</b>		<b>(984)</b>	<b>380</b>

The results stated above are all derived from continuing operations.

The notes on pages 12 to 23 form an integral part of these financial statements.

\*Details of the restatement can be found under note 2.

Intrepid Travel Group UK Limited  
Company number 01826936  
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £'000	Restated* 31 December 2019 £'000
<b>Fixed assets</b>			
Intangible assets	9	416	448
Tangible assets	10	108	137
		<u>524</u>	<u>585</u>
<b>Current assets</b>			
Debtors	11	3,303	2,825
Cash at bank and in hand		470	5,008
Deferred tax asset	12	32	38
		<u>3,805</u>	<u>7,871</u>
Creditors: amounts falling due within one year	13	(2,341)	(5,509)
<b>Net current assets</b>		<u>1,464</u>	<u>2,362</u>
<b>Total assets less current liabilities</b>		<u>1,988</u>	<u>2,947</u>
Provisions for liabilities		(33)	(8)
<b>Net assets</b>		<u>1,955</u>	<u>2,939</u>
<b>Capital and reserves</b>			
Called up share capital	14	2,700	2,700
(Accumulated losses)/ retained earnings		(745)	239
<b>Total shareholders' funds</b>		<u>1,955</u>	<u>2,939</u>

The notes on pages 12 to 23 form part of these financial statements.

The financial statements of Intrepid Travel Group UK Limited (registered number 01826936) on pages 9 to 23 were approved by the Board of Directors and signed on their behalf by:

\*Details of the restatement can be found under note 2.



M Burnett  
Director

DATE: 6<sup>th</sup> August 2021

Intrepid Travel Group UK Limited  
Company number 01826936  
Statement of Changes in Equity for the year ended 31 December 2020

	Called up Share Capital £'000	Retained Earnings/ (Accumulated Losses) £'000	Total £'000
Balance at 1 January 2019 as previously stated	2,700	493	3,193
Adjustment due to restatement*	-	(143)	(143)
Balance at 1 January 2019 as restated*	2,700	350	3,050
Profit for the year as restated*	-	380	380
Dividends	-	(491)	(491)
Balance at 31 December 2019*	2,700	239	2,939
Balance at 1 January 2020	2,700	239	2,939
Loss for the year	-	(984)	(984)
Dividends	-	-	-
Balance at 31 December 2020	2,700	(745)	1,955

\*Details of the restatement can be found under note 2.

## **1. Accounting policies**

The following accounting policies have been applied consistently to all years presented, unless otherwise stated.

### **General information and basis of accounting**

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 4<sup>th</sup> Floor, 9 Brighton Terrace, London, SW9 8DJ. The nature of the Company's operations and its principal activity are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting standard 102 (FRS 102) issued by the Financial Reporting Council and in accordance with 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 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 Limited, Level 7, 567 Collins Street, Melbourne, VIC 3000, Australia.

The preparation of financial statements in conformity with FRS 102 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

### **Going concern**

The Directors have considered the outlook for the company, its relationship with the ultimate parent Intrepid Group 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 Limited has been confirmed for at least 12 months after the signing of these audited statutory financial statements.

### **Tangible fixed assets**

Tangible fixed assets are stated at historic cost, less accumulated depreciation and provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets over their estimated useful lives as follows:

## **1. Accounting policies (continued)**

Plant & Machinery	2-13 Years straight line
Fixture, Fittings & Equipment	2-13 Years straight line

These assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

### **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.

### **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.

### **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.



## **1. Accounting policies (continued)**

### **Taxation**

Current tax, including UK corporations' tax and foreign tax, is provided at amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each further period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Foreign currencies**

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.

### **Leases**

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.

## 1. Accounting policies (continued)

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.

### **Cash at bank and in hand**

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

### **Turnover and payments 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 a 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.

### **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.

### **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.

### **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.

### **COVID-19 Wage Subsidy**

The COVID-19 Wage Subsidy grant is recognised when the employer is reasonably assured that it will comply with the conditions attached to it, and the grant will be received. The grant is recognised as a receivable when the associated wage payments are made. Receipt of reimbursement from the HMRC reduces the receivable. FRS 102 requires the presentation of this grant as "other income".

## **1. Accounting policies (continued)**

### **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.

### **Critical accounting judgements 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.

## **2. Restatement of 2019 accounts**

Historically, turnover and cost of sales have been fully recognised on trip departure and ticketing of flights however, under FRS102 revenue, and therefore associated costs, should be recognised across the duration of the trip or on flight departure where sales are flight only. As such, sales relating to FY19 but recognised in FY20 require adjusting. The same corresponding impact extends to the FY18 sales which should have been recognised in FY19 results. Revenue recognised in the year ended 31 December 2019 has been increased by £34,000 from £9,647,000 to £9,681,000. Cost of sales have increased from £2,885,000 as previously stated to £2,903,000. The profit for the FY19 period has increased by £16,000 from £536,000 to £552,000. Accruals and deferred income at 31 December 2019 have increased £127,000 from £475,000 as previously stated to £602,000. Retained earnings at 1 January 2019 are reduced by £143,000 from £493,000 to £350,000. Retained earnings at 31 December 2019 are restated from £366,000 to £239,000.

### 3. Turnover

The Company has two classes of business, namely acting as a tour operator and agent.

	Year ended 31 December 2020 £'000	Restated* Year ended 31 December 2019 £'000
Turnover analysed by market (origin):		
United Kingdom	1,627	9,681

Turnover analysed by class of business:

Commission Income	1,530	8,727
Sale of Packaged tours	97	954
	<u>1,627</u>	<u>9,681</u>

\*Refer to note 2 for details of the restatement

### 4. Operating (loss)/profit

(Loss)/profit before taxation is stated after charging/(crediting):

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Amortisation – intangible fixed assets	32	32
Depreciation – tangible fixed assets	64	68
Operating lease rental	214	231
(Profit)/loss on foreign exchange transactions	<u>(43)</u>	<u>51</u>

### 5. Auditors' remuneration

The allocated audit fee relating to the Company for 2020 and 2019 is as follows:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	37	47
Fees payable to the Company's auditors for other services	7	3
Total auditors' remuneration	<u>44</u>	<u>50</u>

**6. Employee numbers and remuneration**

The average monthly number of employees, including Directors, during the year, analysed by activity, was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	Number	Number
Administration	3	4
Tour operations	2	3
Marketing	7	15
Sales	24	37
	<u>36</u>	<u>59</u>

Employee costs, including Directors' remuneration, were as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Wages and salaries	1,363	2,414
Social security costs	138	205
Other pension costs	46	105
	<u>1,547</u>	<u>2,724</u>

During the year, the Company recognised £456,000 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

**7. Directors' remuneration**

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Remuneration of qualifying services	16	356
Company pension contributions to defined contribution scheme	1	35
	<u>17</u>	<u>391</u>

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.

8. Tax on (loss)/profit	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
<b>(i) Analysis of tax charge in the year</b>		
UK corporation tax	-	95
Adjustment in respect of previous periods	-	56
Non-deductible expenses	5	-
<b>Total current tax</b>	<b>5</b>	<b>151</b>
Deferred tax:		
Origination and reversal of timing differences	6	21
<b>Total deferred tax</b>	<b>6</b>	<b>21</b>
<b>Tax on profit</b>	<b>11</b>	<b>172</b>

**(ii) Factors affecting the current tax charge for year**

The total tax charge for the year is lower than the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are shown below:

	Year ended 31 December 2020 £'000	Restated* Year ended 31 December 2019 £'000
(Loss)/profit before tax	(973)	552
(Loss)/profit at the standard rate of UK corporation tax of 19% (2019: 19%)	(185)	105
Effect of:		
- Amounts not deductible for tax purposes	5	14
- Reversal of timing differences	6	56
- Derecognition of carry forward tax losses	185	-
- Other	-	3
<b>Total tax charge for the year</b>	<b>11</b>	<b>172</b>

\*Refer to note 2 for details of the restatement

**(ii) Factors affecting the future tax charge**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). The closing deferred tax balances are measured at the 19% enacted rate. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

**9. Intangible assets**

	<b>Goodwill £'000</b>
<b>At 1 January 2020</b>	
Cost	4,986
Accumulated amortisation and impairment	(4,538)
<b>Net book amount</b>	<b>448</b>
<b>Year ended 31 December 2020</b>	
Opening net book amount	448
Amortisation	(32)
<b>Closing net book amount</b>	<b>416</b>
<b>At 31 December 2020</b>	
Cost	4,986
Accumulated amortisation and impairment	(4,570)
<b>Net book amount</b>	<b>416</b>

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

**10. Tangible assets**

	<b>Plant &amp; Machinery £'000</b>	<b>Fixture, Fittings &amp; Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2020	260	100	360
Additions	35		35
<b>At 31 December 2020</b>	<b>295</b>	<b>100</b>	<b>395</b>
<b>Accumulated depreciation</b>			
At 1 January 2020	184	39	223
Charge for year	42	22	64
<b>At 31 December 2020</b>	<b>226</b>	<b>61</b>	<b>287</b>
<b>Net book value</b>			
At 31 December 2019	76	61	137
<b>At 31 December 2020</b>	<b>69</b>	<b>39</b>	<b>108</b>

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



11. Debtors	31 December 2020 £'000	31 December 2019 £'000
Trade debtors	84	92
Amounts owed by group companies	2,014	1,621
Other debtors	3	16
Social security and other taxes receivable	-	81
Security deposits	592	186
Prepayments	610	829
	<b>3,303</b>	<b>2,825</b>

The security deposits of £592,000 (2019: £186,000) are recoverable and fall due within one year.  
Amounts owed by Group undertakings are unsecured, bear no interest and are repayable on demand.

## 12. Deferred tax asset

The movement in deferred taxation during the year was:

	£'000
At 1 January 2020	38
Charge to the Statement of Comprehensive Income in the year (Note 8)	(6)
<b>At 31 December 2020</b>	<b>32</b>

The elements of deferred taxation are as follows:	31 December 2020 £'000	31 December 2019 £'000
Fixed asset timing differences	32	38
<b>Net deferred tax asset</b>	<b>32</b>	<b>38</b>

There are £185,000 of unrecognised deferred tax assets and no unprovided deferred tax liabilities at either 31 December 2020 or 31 December 2019

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

	31 December 2020 £'000	Restated* 31 December 2019 £'000
Payments received on account	1,744	1,595
Trade creditors	165	378
Amounts owed to Group undertakings	12	2,845
Corporate tax payable	93	88
Other creditors	15	1
Accruals and deferred income	312	602
	<b>2,341</b>	<b>5,509</b>

\*Refer to note 2 for details of the restatement

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

14. Called up Share capital	31 December 2020	31 December 2019
	£'000	£'000
Issued and fully paid		
2,700,000 (2019: 2,700,000) ordinary shares of £1 each	<u>2,700</u>	<u>2,700</u>

#### 15. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2020	31 December 2019
	Land and buildings £'000	Land and buildings £'000
Operating leases expiring:		
Within 1 year	206	199
Later than 1 year and no later than five years	986	869
Over 5 years	<u>64</u>	<u>388</u>
	<u>1,256</u>	<u>1,456</u>

#### 16. Related party transactions

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

#### 17. Controlling Party

The Company is a subsidiary undertaking of Intrepid Group 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, Victoria 3000, Australia.

The group in which the results of the Company are consolidated is that headed by Intrepid Group Limited. No other group financial statements include the results of the Company. Intrepid Group 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 Limited financial statements are available from The Secretary, Intrepid Group Limited, Level 7, 567 Collins Street, Melbourne, VIC 3000, Australia.

#### 18. Subsequent events

The Group continues to be impacted by the global pandemic and the unprecedented travel bans imposed by the government. On 31 December 2020, Intrepid Group Limited (parent entity) signed a subscription agreement with Genaigy SAS for 43,741,605 ordinary shares in the company for an initial subscription price of \$60 million AUD, with an additional \$16.8 million AUD payable if certain future performance metrics are hit. The transaction was completed on 1 April 2021 with the \$60 million AUD initial subscription price received on that date.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected the operations, results or state of affairs, or may do so in future years.