

VOYAGEURS DU MONDE UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

VOYAGEURS DU MONDE UK LIMITED

COMPANY INFORMATION

DIRECTORS	A Capestan J-F Rial N Ghosh N Newbury (resigned 1 April 2020) T Barber A Bouferguene (appointed 3 March 2020)
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COMPANY SECRETARY	Canute Secretaries Limited
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REGISTERED NUMBER	10471371
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REGISTERED OFFICE	Aylesbury House 17-18 Aylesbury Street London EC1R 0DB
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INDEPENDENT AUDITORS	Elman Wall Limited 8th Floor Becket House 36 Old Jewry London EC2R 8DD
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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

INTRODUCTION

The directors present their report and financial statements for the year ended 31 December 2020

BUSINESS REVIEW

2020 was heavily impacted by the Covid-19 crisis, which has paused most of the activity in the travel and leisure sector. This is evident in the level of revenue we generated during the year: £4,898,164 (2019 £16,612,191). Despite this, we feel positive about the overall management of the pandemic crisis in that after cancellations, postponements and new bookings, at YE 2020 our global bookings were 30% better off than at the start of the year. This does not include Refund Credit Notes which constitute a significant amount and which we are hopeful in converting into revenue throughout 2021.

Our current portfolio of future departures is 22% down versus the same time previous year. Again, this does not include the potential transformation of our existing RCNs. We continue to expect a difficult first half of year followed by a phased recovery starting in the second half.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties in 2020 are managed by the policies put in place to manage these risks.

Regulatory risks - the successful renewal of our licenses and bonding requirements in order to trade. We hold ATOL numbers 5922 and TRA9711307 and are members of ABTA (Y5672).

External risks - geopolitical circumstances such as terrorism, military uprising, disease, acts of nature and extreme weather. We always carefully vet our destinations before adding them to our portfolio. We take our direction from the advice we receive from the UK's Foreign & Commonwealth Office. As proven by the management of the COVID-19 crisis, we believe that our range of products and services in multiple destinations provide sufficient choice for our clients in these circumstances.

Operational risks – the robust nature of our systems, staff training and the strength of our supplier and client relationships help mitigate the operational risks in the business. Conversion rates, customer satisfaction, service levels and in the areas of product development have been valued assets in the management of the crisis.

FOREIGN EXCHANGE RISK

We manage our foreign currency requirements very closely and follow a prudent hedging strategy, principally through forward foreign exchange contracts, designed to protect our clients from surcharging, and to protect ourselves from adverse currency movements. Considering the reduced level of sales, 2020 ran smoothly in this regard and reflects the close management we undertake in this area.

EUROPEAN UNION

The fact that free movement between the UK and the EU has stopped has not yet impacted our business due to the present lockdowns. We do not expect this to have a major impact on our business given that most of Original Travel's destinations are outside the EU. We continue monitor closely the negative risk as well as opportunities inherent in Brexit.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL KEY PERFORMANCE INDICATORS

The focus has been on managing closely our Gross Profit and Operating Expenses and Cash flows during the period. Thus, with a Gross Profit decrease of £3,172,944 (66%), the cash decrease has been limited to £670,780 (30%).

- Revenue: £4,898,164 (2019: 16,612,191)
- Gross Profit: £1,451,894 (2019: 4,625,838)
- Cash: £1,594,325 (2019: £2,265,105)

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

A Bouferguene
Director

Date: 1 March 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £2,122,450 (2019 - loss £1,452,687).

There were no dividends paid during the year.

DIRECTORS

The directors who served during the year were:

A Capestan
J-F Rial
N Ghosh
N Newbury (resigned 1 April 2020)
T Barber
A Bouferguene (appointed 3 March 2020)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 and the Group'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 and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

As a result of the coronavirus, future revenues and profit are likely to be affected by the restrictions on travel and consumer confidence to travel. The directors cannot determine at present the extent to which the company is likely to be affected.

AUDITORS

Under section 487(2) of the Companies Act 2006, Elman Wall Limited will be deemed to have been reappointed as auditors.

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

A Bouferguene
Director

Date: 1 March 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOYAGEURS DU MONDE UK LIMITED

OPINION

We have audited the financial statements of Voyageurs Du Monde UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's 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 Group 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 forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the Company's ability to continue as a going concern.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, except for the comments made in Note 2.4 and the uncertainty created by the coronavirus pandemic, 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 director with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOYAGEURS DU MONDE UK LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOYAGEURS DU MONDE UK LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias

Owing to the inherent limitations of an audit there is unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. In addition as with any audit there remained a higher risk of nondetection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentation or the overrode of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOYAGEURS DU MONDE UK LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Ian Palmer (Senior statutory auditor)

for and on behalf of

Elman Wall Limited

Chartered Accountants & Statutory Auditor

8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

1 March 2021

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020 £	2019 £
Turnover	4	4,898,164	16,612,191
Cost of sales		(3,446,270)	(11,987,353)
GROSS PROFIT		<u>1,451,894</u>	<u>4,624,838</u>
Administrative expenses		(4,285,178)	(6,059,700)
Other operating income		408,715	-
OPERATING LOSS	6	<u>(2,424,569)</u>	<u>(1,434,862)</u>
Interest receivable and similar income	10	4,367	10,948
Interest payable and expenses	11	(10,744)	(13,131)
LOSS BEFORE TAXATION		<u>(2,430,946)</u>	<u>(1,437,045)</u>
Tax on loss	12	308,496	(15,642)
LOSS FOR THE FINANCIAL YEAR		<u>(2,122,450)</u>	<u>(1,452,687)</u>
(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>(2,122,450)</u>	<u>(1,452,687)</u>
		<u>(2,122,450)</u>	<u>(1,452,687)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		<u>(2,122,450)</u>	<u>(1,452,687)</u>
		<u>(2,122,450)</u>	<u>(1,452,687)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	7,981,368	9,121,555
Tangible assets	15	66,621	110,472
		<u>8,047,989</u>	<u>9,232,027</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	17	2,464,093	2,748,672
Cash at bank and in hand	18	1,600,357	2,399,995
		<u>4,064,450</u>	<u>5,148,667</u>
Creditors: amounts falling due within one year	19	(4,076,973)	(4,347,196)
NET CURRENT (LIABILITIES)/ASSETS		<u>(12,523)</u>	<u>801,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,035,466</u>	<u>10,033,498</u>
Creditors: amounts falling due after more than one year	20	(743,775)	(602,836)
PROVISIONS FOR LIABILITIES			
Deferred taxation		-	(16,521)
NET ASSETS		<u>7,291,691</u>	<u>9,414,141</u>
CAPITAL AND RESERVES			
Called up share capital	23	11,860	11,860
Share premium account	24	12,514,300	12,514,300
Profit and loss account	24	(5,234,469)	(3,112,019)
		<u>7,291,691</u>	<u>9,414,141</u>

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

A Bouferguene
Director

Date: 1 March 2021

The notes on pages 14 to 30 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Investments	16	13,242,300	13,242,300
CURRENT ASSETS			
Debtors: amounts falling due within one year	17	-	100
Cash at bank and in hand	18	5,932	134,790
		<u>5,932</u>	<u>134,890</u>
Creditors: amounts falling due within one year	19	-	(6,500)
NET CURRENT ASSETS		<u>5,932</u>	<u>128,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,248,232</u>	<u>13,370,690</u>
Creditors: amounts falling due after more than one year	20	(488,238)	(602,836)
NET ASSETS		<u><u>12,759,994</u></u>	<u><u>12,767,854</u></u>
CAPITAL AND RESERVES			
Called up share capital	23	11,860	11,860
Share premium account	24	12,514,300	12,514,300
Profit and loss account	24	233,834	241,694
		<u><u>12,759,994</u></u>	<u><u>12,767,854</u></u>

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

A Bouferguene
Director

Date: 1 March 2021

The notes on pages 14 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2019	10,409	11,356,268	(1,659,332)	9,707,345	9,707,345
COMPREHENSIVE INCOME FOR THE YEAR					
Loss for the year	-	-	(1,452,687)	(1,452,687)	(1,452,687)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(1,452,687)	(1,452,687)	(1,452,687)
Shares issued during the year	1,451	1,158,032	-	1,159,483	1,159,483
TOTAL TRANSACTIONS WITH OWNERS	1,451	1,158,032	-	1,159,483	1,159,483
At 1 January 2020	11,860	12,514,300	(3,112,019)	9,414,141	9,414,141
COMPREHENSIVE INCOME FOR THE YEAR					
Loss for the year	-	-	(2,122,450)	(2,122,450)	(2,122,450)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(2,122,450)	(2,122,450)	(2,122,450)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-	-
AT 31 DECEMBER 2020	<u>11,860</u>	<u>12,514,300</u>	<u>(5,234,469)</u>	<u>7,291,691</u>	<u>7,291,691</u>

The notes on pages 14 to 30 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	10,409	11,356,268	261,350	11,628,027
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(19,656)	(19,656)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(19,656)	(19,656)
Shares issued during the year	1,451	1,158,032	-	1,159,483
TOTAL TRANSACTIONS WITH OWNERS	1,451	1,158,032	-	1,159,483
At 1 January 2020	11,860	12,514,300	241,694	12,767,854
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(7,860)	(7,860)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(7,860)	(7,860)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-
AT 31 DECEMBER 2020	11,860	12,514,300	233,834	12,759,994

The notes on pages 14 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

Voyageurs Du Monde UK Limited is a private company limited by shares which is incorporated in England and Wales, United Kingdom.

The address of the registered office is given in the company information page of these financial statements.

The nature of the company's operations and principal activity is that of a holding company.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 CASH FLOW STATEMENT

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company's financial statements Voyageurs Du Monde S.A, includes the group's cash flow.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

In common with many travel companies, the group has experienced a reduction in bookings due to concern over the coronavirus. While the effect of the coronavirus cannot currently be predicted with any certainty, the directors have prepared forecasts taking into account their assessment of the potential reduction in sales and are confident that the company will be able to continue to meet their liabilities as they fall due for a period of not less than 12 months from the date these accounts are signed.

2.5 REVENUE

Turnover represents amounts receivable from the sale of tours and other services supplied to customers net of VAT. Revenue and related costs are taken to the profit and loss account on date of departure basis.

2.6 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Brand establishment	-	20	years
Deveopment expenditure	-	5	years
Goodwill	-	10	years

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 TANGIBLE FIXED ASSETS (continued)

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:

Fixtures and fittings	-	20%	straight line
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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.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found,

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS (continued)

an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 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.

2.14 OPERATING LEASES: THE GROUP AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 PENSIONS

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 INTEREST INCOME

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.18 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.19 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.20 ADVANCE HOLIDAY RECEIPTS AND EXPENDITURE

All revenues relating to tours with departure dates after the year end are treated as advance receipts at the balance sheet date and are disclosed within deferred income. Payments made to suppliers in respect of these tours are included in prepayments.

2.21 GOVERNMENT GRANTS

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

During the year the group made claims in respect of furloughed employees under the Coronavirus Job Retention Scheme.

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are recognised to be relevant. Actual results may differ from these estimates.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. TURNOVER

The total turnover of the Company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

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

	2020 £	2019 £
Travel related services	<u>4,898,164</u>	<u>16,612,191</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2020 £	2019 £
Government grants receivable	<u>408,715</u>	<u>-</u>

During the year the group made claims in respect of furloughed employees under the Coronavirus Job Retention Scheme.

6. OPERATING LOSS

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	66,077	61,220
Amortisation of intangible assets, including goodwill	1,199,906	1,203,640
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	13,000	13,000
Other operating lease rentals	224,873	247,306
Defined contribution pension cost	<u>35,142</u>	<u>44,837</u>

7. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>13,000</u>	<u>13,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,747,721	2,501,285	-	-
Social security costs	207,856	265,947	-	-
Cost of defined contribution scheme	35,142	44,837	-	-
	<u>1,990,719</u>	<u>2,812,069</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Average no of employees	<u>50</u>	<u>63</u>

9. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	372,878	347,070
Company contributions to defined contribution pension schemes	4,212	4,754
	<u>377,090</u>	<u>351,824</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £164,697 (2019 - £99,020).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2019 - £1,188).

The total accrued pension provision of the highest paid director at 31 December 2020 amounted to £nil (2019 - £110).

10. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	<u>4,367</u>	<u>10,948</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Loans from group undertakings	<u>10,744</u>	<u>13,131</u>

12. TAXATION

	2020 £	2019 £
CORPORATION TAX		
Adjustments in respect of previous periods	(9,018)	3,539
DEFERRED TAX		
Origination and reversal of timing differences	(299,478)	12,103
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(308,496)</u>	<u>15,642</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(2,430,946)</u>	<u>(1,437,045)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(461,880)	(273,039)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	-	214,779
Adjustments to tax charge in respect of prior periods	(9,018)	-
Other timing differences leading to an increase (decrease) in taxation	162,402	73,902
TOTAL TAX CHARGE FOR THE YEAR	<u>(308,496)</u>	<u>15,642</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £7,860 (2019 - loss £19,656).

14. INTANGIBLE ASSETS

Group

	Brand establishment & Development £	Goodwill £	Total £
COST			
At 1 January 2020	2,095,229	10,783,963	12,879,192
Additions	59,719	-	59,719
At 31 December 2020	<u>2,154,948</u>	<u>10,783,963</u>	<u>12,938,911</u>
AMORTISATION			
At 1 January 2020	490,949	3,266,688	3,757,637
Charge for the year on owned assets	126,010	1,073,896	1,199,906
At 31 December 2020	<u>616,959</u>	<u>4,340,584</u>	<u>4,957,543</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,537,989</u>	<u>6,443,379</u>	<u>7,981,368</u>

Brand establishment & Development intangible fixed assets are held in the Subsidiary Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £
COST OR VALUATION	
At 1 January 2020	316,424
Additions	22,226
At 31 December 2020	<u>338,650</u>
DEPRECIATION	
At 1 January 2020	205,952
Charge for the year on owned assets	66,077
At 31 December 2020	<u>272,029</u>
NET BOOK VALUE	
At 31 December 2020	<u><u>66,621</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. FIXED ASSET INVESTMENTS

Company

Investments in
subsidiary
companies
£

COST OR VALUATION

At 1 January 2020

13,242,300

At 31 December 2020

13,242,300

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Original Travel Company Ltd		100
	Ordinary	%
Original Travel Transport Company Ltd		100
	Ordinary	%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Original Travel Company Ltd	1,526,196	(1,080,965)
Original Travel Transport Company Ltd	46,051	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
17. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	8,968	26,449	-	-
Amounts owed by group undertakings	-	-	-	100
Other debtors	689,830	487,469	-	-
Prepayments	1,467,806	2,219,301	-	-
Tax recoverable	14,532	15,453	-	-
Deferred taxation	282,957	-	-	-
	<u>2,464,093</u>	<u>2,748,672</u>	<u>-</u>	<u>100</u>

Prepayments include advance payments to suppliers for departures after the year end amounting to £1,421,447 (2019: £2,071,987).

18. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>1,600,357</u>	<u>2,399,995</u>	<u>5,932</u>	<u>134,790</u>

19. CREDITORS: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	155,133	236,403	-	-
Corporation tax	-	9,939	-	-
Other taxation and social security	20,799	-	-	-
Other creditors	895,953	34,632	-	-
Accruals and deferred income	3,005,088	4,066,222	-	6,500
	<u>4,076,973</u>	<u>4,347,196</u>	<u>-</u>	<u>6,500</u>

Accruals and deferred income include advance receipts from customers for departures after the year end amounting to £2,812,160 (2019: £4,047,204).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
20. CREDITORS: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts owed to group undertakings	488,238	602,836	488,238	602,836
Accruals and deferred income	255,537	-	-	-
	<u>743,775</u>	<u>602,836</u>	<u>488,238</u>	<u>602,836</u>

21. FINANCIAL INSTRUMENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	<u>1,600,357</u>	<u>2,399,995</u>	<u>5,932</u>	<u>134,790</u>
FINANCIAL LIABILITIES				
Other financial liabilities measured at fair value through profit or loss	<u>(798,467)</u>	<u>(881,509)</u>	<u>(488,238)</u>	<u>(609,336)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Other financial liabilities measured at fair value through profit and loss comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

22. DEFERRED TAXATION
Group

	2020 £	2019 £
At beginning of year	(16,521)	(4,418)
Charged to profit or loss	299,478	(12,103)
AT END OF YEAR	<u>282,957</u>	<u>(16,521)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. DEFERRED TAXATION (CONTINUED)

The deferred taxation balance is made up as follows:

	Group 2020 £	Group 2019 £
Fixed asset timing differences	(12,237)	(18,418)
Short term timing differences	(454)	(744)
Losses and other deductions	295,648	2,641
	<u>282,957</u>	<u>(16,521)</u>

23. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
40,928 (2019 - 40,928) A Ordinary shares shares of £0.01 each	409	409
1,145,100 (2019 - 1,145,100) Ordinary shares shares of £0.01 each	11,451	11,451
	<u>11,860</u>	<u>11,860</u>

24. RESERVES

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

Capital redemption reserve records the nominal value of shares repurchased by the group.

Other reserves

This represents a share based payment reserve and includes the fair value of share options expected to vest less the fair value of exercised share options.

Profit and loss account

Includes all current and prior period retained profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. CONTINGENT LIABILITIES

The group currently holds an Air Travel Organisers' License ("ATOL") issued by the Civil Aviation Authority ("CAA"), is a member of the Association of British Travel Agents Limited ("ABTA") and is an accredited agent of the International Air Transport Association ("IATA").

As at 31 December 2020, there were contingent liabilities given by group in the normal course of business in respect of ABTA bonds amounting to £315,560 (2019: £396,194).

As at 31 December 2020, Svenska Handelsbanken AB (publ) holds a charge of £63,500 (2019: £63,500) in relation to guarantees provided on behalf of Original Travel Company Limited in respect of IATA bonds.

26. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £35,142 (2019: £44,837). Contributions totalling £360 (2019: £4,374) were payable to the fund at the balance sheet date.

27. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Later than 1 year and not later than 5 years	<u>167,092</u>	<u>349,374</u>

28. TRANSACTIONS WITH DIRECTORS

During the year the group had a loan account with a former director, N Newbury. Advances totalled £nil (2019: £17,277) in the year, with repayments of £15,197 (2019: £4,232) being made. At the year end, N Newbury owed the company £nil- (2019: £15,197).

During the year the group had a loan account with the Director N Ghosh. Advances totalled £nil (2019: £10,194) in the year, with repayments of £nil (2019: £105) being made. At the year end, N Ghosh owed the company £15,197 (2019: £15,197).

During the year the group had a loan account with the Director T Barber. Advances totalled £nil (2019: £6,965) in the year, with repayments of £nil (2019: £Nil) being made. At the year end, T Barber owed the company £6,965 (2019: £6,965).

29. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2017, the company received a loan of £716,240 from its ultimate parent company Voyageurs Du Monde S.A.. Interest of £10,744 (2019: £13,131) is charged at a rate of 2% pro rata. At the year end, the company owed £488,238 (2019: £602,836) to Voyageurs Du Monde S.A.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

30. POST BALANCE SHEET EVENTS

As a result of the coronavirus, holidays to the value of £210,053 were cancelled post year end and £210,053 included in deferred income has been reclassified to 'other creditors'.

Future revenues and profit are therefore likely to be affected by the restrictions on travel and consumer confidence to travel though the directors cannot determine at present the extent to which the company is likely to be affected (See note 2.4).

31. CONTROLLING PARTY

The ultimate controlling party is Avantage S.A., a company registered in France. The registered office address is 55 Rue Sainte-Anne, Paris, France, 75002.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.