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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

TOUR PARTNER GROUP NORDICS APS

HANS EDVARD TEGLERS VEJ 3, 1., 2920 CHARLOTTENLUND

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 28 September 2020

Christian Nissen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 18 82 37 48

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COMPANY DETAILS

Company	Tour Partner Group Nordics ApS Hans Edvard Teglers Vej 3, 1. 2920 Charlottenlund
	CVR No.: 18 82 37 48 Established: 1 October 1995 Registered Office: Gentofte Financial Year: 1 January - 31 December
Board of Directors	Mark David Mayhew, chairman Paul John Maine Mark Pharoah
Board of Executives	Hans Christian Nissen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank Holmens Kanal 2 1090 Copenhagen K
Law Firm	Gorrissen Federspiel Advokatpartnerselskab Axeltorv 2 1609 Copenhagen V
General Meeting	The Annual General Meeting is held on 28 September 2020, at 15.00 at the company's address.

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2019.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2019.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

Charlottenlund, 28 September 2020

Board of Executives

Hans Christian Nissen

Board of Directors

Mark David Mayhew Chairman	Paul John Maine	Mark Pharoah

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tour Partner Group Nordics ApS

Opinion
We have audited the Financial Statements of Tour Partner Group Nordics ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, cash flows, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2019 and of the results of the *Company's* operations and cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material uncertainty relating to Going Concern
We draw attention to a material uncertainty that may cast significant doubt over the Company’s ability to continue as a going concern. We refer to the note "Uncertainty with respect to going concern" in the Annual Report, which explains that there is currently an uncertainty whether commitments to further financing will be obtained or the current repayment schedule will be deferred, which would ensure the financing of operations and the required investment in the coming year. It is Management’s assessment that the necessary funding will be received, and the Financial Statements are therefore presented on a going concern basis. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines 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, Management is 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s 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 auditor’s 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 28 September 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Per Frost Jensen
State Authorised Public Accountant
MNE no. mne27740

FINANCIAL HIGHLIGHTS

	2019 DKK '000	2018 DKK '000	2017/18 DKK '000	2016/17 DKK '000	2015/16 DKK '000
Income statement					
Gross profit/loss	55.476	39.367	62.269	47.574	38.447
Operating profit/loss	28.371	23.068	44.301	30.985	23.162
Financial income and expenses, net	336	-18	-2.360	2.262	1.318
Profit/loss for the year before tax	28.706	23.050	41.941	33.247	24.480
Profit/loss for the year	22.090	17.754	32.431	25.505	18.723
Balance sheet					
Balance sheet total	101.550	128.324	60.057	71.526	45.331
Equity	65.499	39.706	21.222	33.962	25.109
Cash flows					
Investment in tangible fixed assets	-316	-427	-289	-152	0
Ratios					
Liquidity ratio	293.4	143.5	0.0	0.0	0.0
Solvency ratio	64.5	30.9	35.3	47.5	55.4

The ratios stated in the list of key figures and ratios have been calculated as follows:

Liquidity ratio: $\frac{\text{E x 100}}{\text{T}}$

Solvency ratio: $\frac{\text{Equity ex. minorities, at year end x 100}}{\text{Total equity and liabilities, at year end}}$

The ratios follow in all material respects the recommendations of the Danish Finance Society.

MANAGEMENT'S REVIEW

Principal activities
The company's activities comprise of a travel agency operation providing the sale of services in the form of accommodation and tours in Northern Europe to our business partners all over the world.

The company was acquired by Tour Partner ApS on 3 November 2017. The ultimate parent company is Tour Partner Group, incorporated in Great Britain.

Exceptional matters
No exceptional matters occurred during the year.

Development in activities and financial position
In order to grow and strengthen market shares in our source markets, the company increased its resource base , improved the efficiency and the customer service offering to business partners, further invested in developing new source markets, and improved current product lines in all destinations.

Profit/loss for the year compared to future expectations
The results and financial development delivered an encouraging revenue growth and a record high for the company. Profit after tax DKK 22.693.042 which was adverse to expectation but reflects investment in the development of new markets and growth of current product lines.

Significant events after the end of the financial year
In March 20, the Covid-19 pandemic put the whole tourism industry into a state of freeze, and during the last 6 months have taken the following steps and actions to improve our outlook.

During the period from March to September, we have participated in the different Governmental Schemes connected to Covid-19, offered by the Danish Government. The Set cost compensation scheme, the Salary Comepnsation scheme as well as the cooperation between A-kasse and the Government (Temporary Work share Scheme). Further we have adjusted all Overheads to a minimum, and made redundancy programs.

As forecasting on the future recovery of the tourist industry is uncertain it will continue to have a short- term effect on the company. We however continue to adjust our efforts as we went along, optimizing government support where possible.

We will end the year with an expected loss of 85-90% of the projected revenue, and with approximately 40% less staff.

The steps we have taken ensure the ongoing viability of our company and coupled with the continued financial support of our parent company, shareholders, and global bankers in the UK, the business is well positioned to pro-actively bounce back to support operational activity in the year ahead. Future booking horizons and pipeline are strong indicating significant pent up demand for travel in the Nordic region.

Special risks
The Group’s most significant operating risk is attached to the ability to be strongly positioned in the markets where the products are sold, to obtain the necessary space with the suppliers, and to ensure that the price of our services is always competitive.

VAT risks:
The company has provided for the potential historic VAT registration risk in Norway. Whilst the final position for potential liability and registration is still to be agreed with the respective tax authorities, the company feels it prudent to recognise current provisional estimates.

Foreign exchange risks:
As there are activities in foreign countries, the results, cash flows and equity are influenced by the exchange rate and interest development of a number of currencies. It is the company’s policy to hedge some of the commercial foreign exchange risks. The hedging is primarily made by forward exchange contracts to hedge the main part of the expected revenue within the first 12 months.

Special risks (continued)
The company does not enter into speculative foreign currency positions. The aim is to migrate the management and operation of all group currency requirements under the UK's central treasury control during 2021.

Uncertainty with respect to going concern
Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business. As part of this assessment, the Directors of the Company have reviewed detailed income and cash projections of the Company and the Group have taken into consideration future financing needs, available credit facilities from the Group's UK bankers and the support of the Group's shareholders. That shareholder support coupled with an extended revolving credit facility from our bankers provided €10m liquidity for the group in March 2020. With additional government support in all local jurisdictions to date, and in particular an extended scheme is available to the company through to Q1-FY21. This scheme is expected to be optimised for the foreseeable future. The Company has also received confirmation from its parent, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements

Notwithstanding the above, at the time of finalising these financial statements the company recognise there remains a full unknown effect of the global COVID-19 pandemic. To date the impact has had a material adverse effect as globally wide imposed government travel restrictions and mandatory quarantine regulations ensure the year to date and short term outlook is one of uncertainty. The Company has received confirmation, by way of a letter of support, that the Group will continue to support the company. That said, it is recognised that the current group bank facilities were put in place at the start of the COVID-19 Pandemic in March 2020. Those facilities underpinned a market recovery through Q3 & and into Q4 2020, and a step up in volume of activity into 2021. The company is behind that recovery curve as the damaging effect on the travel , hospitality and tourism sector is far more prolonged than was initially anticipated.

As part of the renegotiation of the bank facilities agreed in March 2020, all existing covenants were waived through to June 2021 and a new minimum liquidity covenant was introduced. The Group management team have prepared detailed cash flow forecasts for the period through to 31 March 2021. The cash flow forecasts assume based on a scenario of limited revenue during this period, and that the Group can continue to operate within the existing facilities and meet the minimum liquidity covenant. Given the level of uncertainty for the sector, Group management have performed a stress test scenario, which assumes that no revenue is earnt between September 2020 and March 2021. The directors consider this to be an extreme scenario but even under this scenario the Group would forecast meeting the minimum liquidity test.

Whilst the current forecasts and stress test scenario show that the Group, and therefore the Company, can continue to operate within the existing facilities available, the group have under the March 2020 facility agreement, repayment commitments commencing in April 2021 and into the summer of 2021, which the Group would not be able to make under current cash flow projections without alternative funding. Further to this, the Directors, recognise that when the covenant tests recommence from June 2021, that the forecast performance of the business means that these covenant tests are unlikely to be met. The group recognise the challenge and whilst not agreed at this point are in dialogue with their bankers around re-shaping and re-stating a revised facility agreement arrangement.

The group remain fully committed to the company, and ensuring cash flows are available through the liquidity within the facility agreement. The Directors of the Group and of the Company, however, equally recognise that the ongoing discussions over scheduled repayments to the bank and likely covenant breaches from June 2021 under the existing facilities represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Future expectations

We expect the COVID-19 to impact the H1 of 2021 severely, but bouncing back in H2. Many clients have postponed trips and rebooked for 2021, thus customers are booked and ready to travel.

At presently the remaining staff is working on building our pipeline for 2021, and our Clients view remains positive. We have an increase of 54% in business booked for 2021, and due to retaining many staff compared to competitors we feel an increase in the customer flow from competitors from all over the world. As there will be a bounce back, when a vaccine clears the road, we aim at coming out of the crisis stronger than before, and that 2021 will become the first year rebuilding our company and once again be profitable.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2019 DKK	2018 DKK '000
GROSS PROFIT		**55.476.411**	**39.367**
Staff costs	1	-26.815.638	-16.193
Depreciation, amortisation and impairment losses		-290.012	-105
Other operating expenses		0	-1
OPERATING PROFIT		**28.370.761**	**23.068**
Other financial income	2	3.649.535	2.741
Other financial expenses	3	-3.313.983	-2.759
PROFIT BEFORE TAX		**28.706.313**	**23.050**
Tax on profit for the year	4	-6.616.201	-5.296
PROFIT FOR THE YEAR	5	**22.090.112**	**17.754**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK '000
Other plants, machinery, tools and equipment		694.974	713
Leasehold improvements		88.740	44
Tangible fixed assets	6	**783.714**	**757**
Rent deposit and other receivables		587.814	578
Fixed asset investments	7	**587.814**	**578**
FIXED ASSETS		**1.371.528**	**1.335**
Trade receivables		11.578.349	7.836
Receivables from group enterprises		80.365.008	109.574
Other receivables		4.006.441	300
Prepayments and accrued income	8	3.166.655	4.812
Receivables		**99.116.453**	**122.522**
Cash and cash equivalents		**1.062.475**	**4.467**
CURRENT ASSETS		**100.178.928**	**126.989**
ASSETS		**101.550.456**	**128.324**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK '000
Share capital		125.000	125
Retained earnings		65.374.136	39.581
EQUITY		**65.499.136**	**39.706**
Provision for deferred tax	9	94.499	134
PROVISION FOR LIABILITIES		**94.499**	**134**
Accrued frozen holiday funds		1.808.344	0
Long-term liabilities	10	**1.808.344**	**0**
Bank debt		146.489	91
Prepayments received from customers		328.084	194
Trade payables		10.744.384	9.757
Payables to group enterprises		0	57.232
Corporation tax		7.196.083	5.469
Other liabilities		2.352.294	5.685
Accruals and deferred income	11	13.381.143	10.056
Current liabilities		**34.148.477**	**88.484**
LIABILITIES		**35.956.821**	**88.484**
EQUITY AND LIABILITIES		**101.550.456**	**128.324**

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EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2019	125.000	39.580.348	39.705.348
Value adjustments of equity		1.918.551	1.918.551
Subsidy from Parent Company		1.785.125	1.785.125
Proposed distribution of profit		22.090.112	22.090.112
Equity at 31 December 2019	**125.000**	**65.374.136**	**65.499.136**

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CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2019 DKK	2018 DKK '000
Profit/loss for the year	22.090.112	17.754
Reversed depreciation of the year	290.012	105
Reversed realisation gains	0	1
Reversed tax on profit/loss for the year	6.616.201	5.296
Corporation tax paid	-5.468.747	-8.674
Change in receivables	23.405.533	-71.650
Change in current liabilities (ex bank and tax)	-54.309.799	53.287
CASH FLOWS FROM OPERATING ACTIVITY	**-7.376.688**	**-3.881**
Purchase of tangible fixed assets	-316.382	-427
Sale of tangible fixed assets	0	50
Purchase of fixed asset investments	-9.692	-6
CASH FLOWS FROM INVESTING ACTIVITY	**-326.074**	**-383**
Changes in subsidy from Parent Company	1.785.125	1.419
Other cash flows from financing activities	2.459.681	-883
CASH FLOWS FROM FINANCING ACTIVITY	**4.244.806**	**536**
CHANGE IN CASH AND CASH EQUIVALENTS	**-3.457.956**	**-3.728**
Cash and cash equivalents at 1. January	4.373.942	8.104
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**915.986**	**4.376**
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents	1.062.475	4.467
Debt to banks	-146.489	-91
CASH AND CASH EQUIVALENTS, DEPOSIT	**915.986**	**4.376**

NOTES

	2019 DKK	2018 DKK '000	Note
Staff costs			1
Average number of employees			
56 (2018: 45)			
Wages and salaries	24.334.973	15.199	
Pensions	545.006	35	
Other social security costs	708.619	357	
Other staff costs	1.227.040	602	
	26.815.638	**16.193**	

The Company's Management consists of one executive and the board of directors does not receive separate fees, and accordingly the remuneration is not disclosed pursuant to the exemption provision in section 98b(3) of the Danish FInancial Statements Act.

	2019 DKK	2018 DKK '000	
Other financial income			2
Group enterprises	3.146.086	2.732	
Other interest income	503.449	9	
	3.649.535	**2.741**	
Other financial expenses			3
Group enterprises	0	1.072	
Other interest expenses	3.313.983	1.687	
	3.313.983	**2.759**	
Tax on profit for the year			4
Calculated tax on taxable income of the year	6.654.953	5.259	
Adjustment of deferred tax	-38.752	37	
	6.616.201	**5.296**	
Proposed distribution of profit			5
Retained earnings	22.090.112	17.754	
	22.090.112	**17.754**	

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Note

Tangible fixed assets 6

	Plant, machinery and equipment	Leasehold improvements
Cost at 1 January 2019	1.145.609	43.750
Additions	253.537	62.845
Cost at 31 December 2019	**1.399.146**	**106.595**
Depreciation and impairment losses at 1 January 2019	432.015	0
Reversal of depreciation of assets disposed of	0	17.855
Depreciation for the year	272.157	0
Depreciation and impairment losses at 31 December 2019	**704.172**	**17.855**
Carrying amount at 31 December 2019	**694.974**	**88.740**

Fixed asset investments 7

	Rent deposit and other receivables
Cost at 1 January 2019	578.122
Additions	9.692
Cost at 31 December 2019	**587.814**
Carrying amount at 31 December 2019	**587.814**

	2019 DKK	2018 DKK '000	Note
Prepayments and accrued income			8
Prepaid expenses, others	0	264	
Prepaid expenses, travels	3.166.655	4.548	
	3.166.655	**4.812**	

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Note

Provision for deferred tax 9

Provision for deferred tax comprises deferred tax on contract work in progress, inventory and intangible and tangible fixed assets.

	2019 DKK	2018 DKK '000
Deferred tax relates to:		
Plant, machinery and equipment	91.812	132
Leasehold improvements	2.687	2
	94.499	**134**
Deferred tax, beginning of year	133.251	97
Deferred tax for the year, income statement	-38.752	37
Provision for deferred tax 31 December 2019	**94.499**	**134**

Long-term liabilities 10

	31/12 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2018 total liabilities	Current portion at the beginning of the year
Accrued frozen holiday funds	1.808.344	0	0	0	0
	1.808.344	**0**	**0**	**0**	**0**

Accruals and deferred income 11

Accruals and deferred income relate to revenue invoiced in the current financial year, concerning the financial year 2020.

Contingencies etc. 12

Contingent liabilities

The non-implementation of the EU judgement C-189/11 The Commission vs Spain in some member states leads to uncertainty in relation to the VAT treatment of B2B package tours within the EU, which may result in a risk that the company will be subject to VAT on its activities in other EU countries. Management consider this possibility to be low. A parent company guarantee is in place to cover a potential obligation should one arise.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group’s joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group’s joint taxable income is stated in the annual report of Tour Partner ApS, which serves as management company for the joint taxation.

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Related parties 13

The Company's related parties include:

Controlling interest

Hotels and More Ltd. and Mayfair Fox Holdco Ltd. are the principal shareholders.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

NOTES

Note

Uncertainty with respect to going concern 14

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business. As part of this assessment, the Directors of the Company have reviewed detailed income and cash projections of the Company and the Group and have taken into consideration future financing needs, available credit facilities from the Group's UK bankers and the support of the Group's shareholders. That shareholder support coupled with an extended revolving credit facility from our bankers provided €10m liquidity for the group in March 2020. With additional government support in all local jurisdictions to date, and in particular an extended scheme is available to the company through to Q1-FY21. This scheme is expected to be optimised for the foreseeable future. The Company has also received confirmation from its parent, that it will provide the necessary financial support to ensure it can meet its liabilities as they fall due. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

Notwithstanding the above, at the time of finalising these financial statements the company recognise there remains a full unknown effect of the global COVID-19 pandemic. To date the impact has had a material adverse effect as globally wide imposed government travel restrictions and mandatory quarantine regulations ensure the year to date and short term outlook is one of uncertainty. The Company has received confirmation, by way of a letter of support, that the Group will continue to support the company. That said, it is recognised that the current group bank facilities were put in place at the start of the COVID-19 Pandemic in March 2020. Those facilities underpinned a market recovery through Q3 & and into Q4 2020, and a step up in volume of activity into 2021. The company is behind that recovery curve as the damaging effect on the travel , hospitality and tourism sector is far more prolonged than was initially anticipated.

As part of the renegotiation of the bank facilities agreed in March 2020, all existing covenants were waived through to June 2021 and a new minimum liquidity covenant was introduced. The Group management team have prepared detailed cash flow forecasts for the period through to 31 March 2021. The cash flow forecasts assume based on a scenario of limited revenue during this period, and that the Group can continue to operate within the existing facilities and meet the minimum liquidity covenant. Given the level of uncertainty for the sector, Group management have performed a stress test scenario, which assumes that no revenue is earnt between September 2020 and March 2021. The directors consider this to be an extreme scenario but even under this scenario the Group would forecast meeting the minimum liquidity test.

Whilst the current forecasts and stress test scenario show that the Group, and therefore the Company, can continue to operate within the existing facilities available, the group have under the March 2020 facility agreement, repayment commitments commencing in April 2021 and into the summer of 2021, which the Group would not be able to make under current cash flow projections without alternative funding. Further to this, the Directors, recognise that when the covenant tests recommence from June 2021, that the forecast performance of the business means that these covenant tests are unlikely to be met. The group recognise the challenge and whilst not agreed at this point are in dialogue with their bankers around re-shaping and re-stating a revised facility agreement arrangement.

The group remain fully committed to the company, and ensuring cash flows are available through the liquidity within the facility agreement. The Directors of the Group and of the Company, however, equally recognise that the ongoing discussions over scheduled repayments to the bank and likely covenant breaches from June 2021 under the existing facilities represents a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and its ability to provide support to its subsidiaries and, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES

Note

Significant events after the end of the financial year **15**

To date the outbreak of the COVID-19 pandemic has had a material adverse effect as globally wide imposed government travel restrictions and mandatory quarantine regulations ensure the year to date and short term outlook is one of uncertainty.

The Company has received confirmation, by way of a letter of support, that the Group will continue to support the company. That said, it is recognised that the current group bank facilities were put in place at the start of the COVID-19 Pandemic in March 2020. Those facilities underpinned a market recovery through Q3 & and into Q4 2020, and a step up in volume of activity into 2021. The company is behind that recovery curve as the damaging effect on the travel, hospitality and tourism sector is far more prolonged than was initially anticipated.

Consolidated financial statements **16**

The company is included in the consolidated financial statements of Tour Partner ApS, the parent company, Hans Edvard Teglers Vej 3, 1., 2920 Charlottenlund, CVR no. 39 02 00 76 and in the consolidated financial statements of the ultimate parent, Tour Partner Group Midco Limited, Hygeia Building, 5th Floor, 66 - 68 College Road, Harrow, Middlesex, HA1 1BE, CVR no. 1-60989.

ACCOUNTING POLICIES

The Annual Report of Tour Partner Group Nordics ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium enterprise.

The Annual Report is prepared consistently with the accounting principles applied last year.

Comparative figures
The comparative figures for 2018 cover 9 months, whereas the annual report period is 12 months and, thus, the figures in the income statement are not directly comparable.

INCOME STATEMENT

Net revenue
Net revenue is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security, etc. for the company’s employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses
Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets
Plant, machinery and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Plant, machinery and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments
Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of tangible assets together with fixed asset investments, which are not measured at fair value, are assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is stated as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities corresponds usually to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments
Derivative financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under receivables and payables, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under the initial cost of the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

ACCOUNTING POLICIES

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset, and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.