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TOUR PARTNER 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. 39 02 00 76

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COMPANY DETAILS**Company**

Tour Partner ApS
Hans Edvard Teglers Vej 3 1.
2920 Charlottenlund

CVR No.: 39 02 00 76
Established: 18 October 2017
Registered Office: Gentofte
Financial Year: 1 January - 31 December

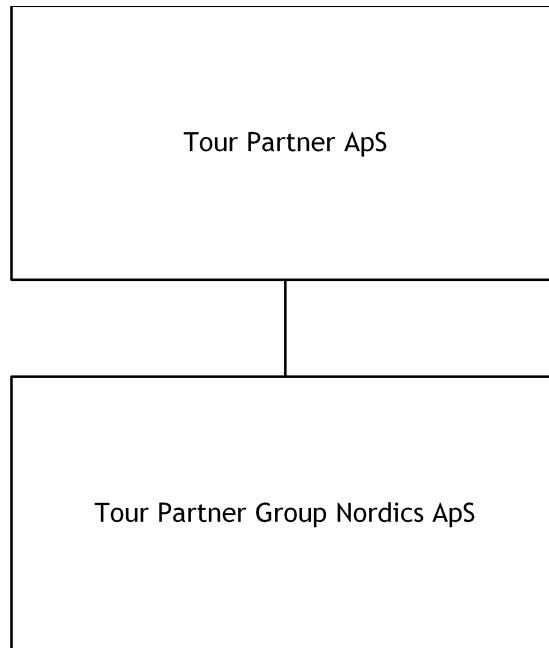
Board of Executives

Mark David Mayhew
Mark Pharoah
Paul John Maine

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

GROUP STRUCTURE



STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Tour Partner 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 Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's financial position at 31 December 2019 and of the results of Group's and 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

Mark David Mayhew

Mark Pharoah

Paul John Maine

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Tour Partner ApS

Opinion

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

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2019 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group 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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group 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 Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is 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 in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

INDEPENDENT AUDITOR'S REPORT

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group's and the Parent 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 Consolidated Financial Statements and the Parent Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company 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 OF THE GROUP

	2019	2018
	DKK '000	DKK '000
Income statement		
Gross profit/loss.....	55.315	49.259
Operating profit/loss.....	7.763	2.012
Financial income and expenses, net.....	-22.702	-17.516
Profit/loss for the year before tax.....	-14.939	-15.504
Profit/loss for the year.....	-16.451	-17.623
Balance sheet		
Balance sheet total.....	234.200	218.270
Equity.....	2.286	15.034
Equity incl. minority interests.....	2.286	15.034
Cash flows		
Cash flows from operating activities.....	-7.380	177.836
Cash flows from investment-related activities.....	-326	-205.393
Cash flows from financing activities.....	4.245	31.933
Total cash flows.....	-3.461	4.376
Investment in tangible fixed assets.....	-316	-427
Ratios		
Liquidity ratio.....	31,6	17,9
Solvency ratio.....	1,0	6,9
Return on equity.....	-190,0	-234,4

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

Liquidity ratio:
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

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

Return on equity:
$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

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

MANAGEMENT'S REVIEW

Principal activities

The principal activities comprise operation of a travel agency with sale of services in the form of accommodation and tours in Northern Europe to our business partners all over the world.

Tour Partner Group Nordics ApS was acquired by Tour Partner ApS on 3 November 2017. The 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 result for the group was lower than 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 Compensation schemes 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 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.

The company does not enter into speculative foreign currency positions. The aim is to migrate the

MANAGEMENT'S REVIEW

Special risks (continued)

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 earned 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.

MANAGEMENT'S REVIEW

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	Group		Parent company	
		2019 DKK '000	2018 DKK '000	2019 DKK '000	2018 DKK '000
GROSS PROFIT		55.315	49.259	-161	-59
Staff costs.....	1	-26.815	-23.263	0	0
Depreciation, amortisation and impairment losses.....		-20.737	-23.983	0	0
Other operating expenses.....		0	-1	0	0
OPERATING PROFIT		7.763	2.012	-161	-59
Other financial income.....	2	5.874	2.139	5.371	1.671
Other financial expenses.....	3	-28.576	-19.655	-28.408	-19.012
LOSS BEFORE TAX		-14.939	-15.504	-23.198	-17.400
Tax on profit/loss for the year.....	4	-1.512	-2.119	5.104	3.828
LOSS FOR THE YEAR		-16.451	-17.623	-18.094	-13.572
PROPOSED DISTRIBUTION OF DIVIDEND					
Retained earnings.....		-16.451	-17.623	-18.094	-13.572
TOTAL		-16.451	-17.623	-18.094	-13.572

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent company	
		2019 DKK '000	2018 DKK '000	2019 DKK '000	2018 DKK '000
Goodwill.....		160.167	180.614	0	0
Intangible fixed assets.....	5	160.167	180.614	0	0
Other plants, machinery, tools and equipment.....		695	713	0	0
Leasehold improvements.....		89	44	0	0
Tangible fixed assets.....	6	784	757	0	0
Equity investments in group enterprises.....		0	0	223.696	223.696
Rent deposit and other receivables.....		588	578	0	0
Fixed asset investments.....	7	588	578	223.696	223.696
FIXED ASSETS.....		161.539	181.949	223.696	223.696
Trade receivables.....		11.579	7.836	0	0
Receivables from group enterprises.....		52.800	18.856	52.741	18.855
Other receivables.....		4.007	300	0	0
Joint tax contribution receivable..		0	0	5.104	3.828
Prepayments and accrued income..		3.167	4.812	0	0
Receivables.....		71.553	31.804	57.845	22.683
Cash and cash equivalents.....		1.108	4.517	49	51
CURRENT ASSETS.....		72.661	36.321	57.894	22.734
ASSETS.....		234.200	218.270	281.590	246.430

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent company	
		2019 DKK '000	2018 DKK '000	2019 DKK '000	2018 DKK '000
Share capital.....	8	150	150	150	150
Retained earnings.....		2.136	14.884	166	18.261
EQUITY.....		2.286	15.034	316	18.411
Provision for deferred tax.....	9	94	134	0	0
PROVISION FOR LIABILITIES.....		94	134	0	0
Accrued frozen holiday funds.....		1.808	0	0	0
Long-term liabilities.....	10	1.808	0	0	0
Bank debt.....		146	91	0	0
Prepayments received from customers.....		328	194	0	0
Trade payables.....		10.833	9.816	89	59
Payables to group enterprises.....		200.879	175.619	281.185	227.960
Corporation tax.....		2.092	1.641	0	0
Other liabilities.....		2.353	5.685	0	0
Accruals and deferred income.....	11	13.381	10.056	0	0
Current liabilities.....		230.012	203.102	281.274	228.019
LIABILITIES.....		231.820	203.102	281.274	228.019
EQUITY AND LIABILITIES.....		234.200	218.270	281.590	246.430
Contingencies etc.	12				
Related parties	13				
Uncertainty with respect to going concern	14				
Significant events after the end of the financial year	15				
Consolidated financial statements	16				

EQUITY

	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2019.....	150	14.883	15.033
Value adjustments of equity.....		1.919	1.919
Transfers to/from other items.....		1.785	1.785
Proposed distribution of profit.....		-16.451	-16.451
Equity at 31 December 2019.....	150	2.136	2.286

	Parent company		
	Share capital	Retained earnings	Total
Equity at 1 January 2019.....	150	18.260	18.410
Proposed distribution of profit.....		-18.094	-18.094
Equity at 31 December 2019.....	150	166	316

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2019 DKK '000	2018 DKK '000
Profit/loss for the year.....	-16.451	-17.623
Reversed depreciation of the year.....	20.737	23.983
Reversed realization gains.....	0	-210
Reversed tax on profit/loss for the year.....	1.512	2.119
Corporation tax paid.....	-1.641	0
Change in receivables.....	-39.749	-31.802
Change in current liabilities (ex bank and tax).....	28.212	201.369
CASH FLOWS FROM OPERATING ACTIVITY.....	-7.380	177.836
Purchase of intangible fixed assets.....	0	-204.469
Purchase of tangible fixed assets.....	-316	-427
Sale of tangible fixed assets.....	0	50
Purchase of financial assets.....	-10	-6
Other cash flows from investing activities.....	0	-541
CASH FLOWS FROM INVESTING ACTIVITY.....	-326	-205.393
Changes in equity via capital increase.....	1.785	31.933
Other cash flows from financing activities.....	2.460	0
CASH FLOWS FROM FINANCING ACTIVITY.....	4.245	31.933
CHANGE IN CASH AND CASH EQUIVALENTS.....	-3.461	4.376
Cash and cash equivalents at 1. January.....	4.423	50
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	962	4.426
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents.....	1.108	4.517
Bank debt.....	-146	-91
CASH AND CASH EQUIVALENTS, NET DEBT.....	962	4.426

NOTES

	Group		Parent company		Note
	2019 DKK '000	2018 DKK '000	2019 DKK '000	2018 DKK '000	
Staff costs					1
Average number of employees					
Group: 56 (2018: 45)					
Parent company: 3 (2018: 3)					
Wages and salaries.....	24.335	21.577	0	0	
Pensions.....	545	35	0	0	
Social security costs.....	708	465	0	0	
Other staff costs.....	1.227	1.186	0	0	
	26.815	23.263	0	0	
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 in accordance with the exemption provision in section 98b(3) of the Danish Financial Statements Act.					
Other financial income					2
Group enterprises.....	5.371	428	5.371	0	
Other interest income.....	503	1.711	0	1.671	
	5.874	2.139	5.371	1.671	
Other financial expenses					3
Group enterprises.....	17.435	17.326	20.581	18.986	
Other interest expenses.....	11.141	2.329	7.827	26	
	28.576	19.655	28.408	19.012	
Tax on profit/loss for the year					4
Calculated tax on taxable income of the year.....	1.551	2.019	-5.104	-3.828	
Adjustment of deferred tax.....	-39	100	0	0	
	1.512	2.119	-5.104	-3.828	
Intangible fixed assets					5
			Group		
			<u>Goodwill</u>		
Cost at 1 January 2019.....			204.469		
Cost at 31 December 2019.....			204.469		
Amortisation at 1 January 2019.....			23.855		
Amortisation for the year.....			20.447		
Amortisation at 31 December 2019.....			44.302		
Carrying amount at 31 December 2019.....			160.167		

NOTES

	<u>Group</u>		Note
	Other plants, machinery, tools and equipment	Leasehold improvements	
Tangible fixed assets			6
Cost at 1 January 2019.....	1.146	44	
Additions.....	253	63	
Cost at 31 December 2019.....	1.399	107	
Depreciation and impairment losses at 1 January 2019.....	432	0	
Reversal of depreciation of assets disposed of.....	0	18	
Depreciation for the year.....	272	0	
Depreciation and impairment losses at 31 December 2019...	704	18	
Carrying amount at 31 December 2019.....	695	89	
 Fixed asset investments			 7
		<u>Group</u>	
		Rent deposit and other receivables	
Cost at 1 January 2019.....		578	
Additions.....		10	
Cost at 31 December 2019.....		588	
Carrying amount at 31 December 2019.....		588	
		<u>Parent company</u>	
		Equity investments in group enterprises	
Cost at 1 January 2019.....		223.696	
Cost at 31 December 2019.....		223.696	
Carrying amount at 31 December 2019.....		223.696	
 Share capital			 8
Specification of the share capital:			
Shares, 150.000 in the denomination of 1 DKK.....	150	150	
	150	150	

NOTES

Provision for deferred tax
Note
9

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

The amount breaks down as follows:

	Carrying Value	Tax Value	Tax depre. or amort. above carrying value
Plant, machinery and equipment.....	695	278	417
Leasehold improvements.....	89	77	12
	784	355	429
Provision for deferred tax.....			94

	Group		Parent company	
	2019 DKK '000	2018 DKK '000	2019 DKK '000	2018 DKK '000
Deferred tax, beginning of year.....	133	97	0	0
Deferred tax for the year, income statement.....	-39	36	0	0
Provision for deferred tax 31 December 2019.....	94	133	0	0

Long-term liabilities
10

	Group				
	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	0	0	0	0
	1.808	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.

NOTES

Note

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 Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to DKK ('000) 2.262 at the balance sheet date.

Related parties

The Company's related parties include:

13

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

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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 & 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 earned 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 & 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 the ultimate parent, Tour Partner Group Middco 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 ApS for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

Consolidated financial statements

The consolidated financial statements include the parent company Tour Partner ApS and its subsidiaries in which Tour Partner ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Acquired enterprises are recognised in the consolidated financial statements under the book value-method on acquisition date. Identified assets and liabilities are measured at book value from the time of the acquisition, calculated under the accounting policies of the acquired company. The acquisition is considered as adopted as of November 3rd, 2017 and the comparative figures have not been adjusted.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

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.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

Other operating income

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

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, including direct and indirect costs of raw materials and consumables.

Other external expenses

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

ACCOUNTING POLICIES

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.

Investments in subsidiaries

Dividend from subsidiary is recognised in the financial year when the dividend is declared.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement 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.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 10 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific conditions.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

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
Other plant, fixtures and equipment.....	3-5 years	0 %
Leasehold improvements.....	5 years	0 %

Profit or loss on disposal 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

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value, are valued 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 asset is written down to the carrying amount.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined 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 written down to meet expected losses.

Accruals, assets

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

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 for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

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

ACCOUNTING POLICIES

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.

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

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

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.

ACCOUNTING POLICIES

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.