

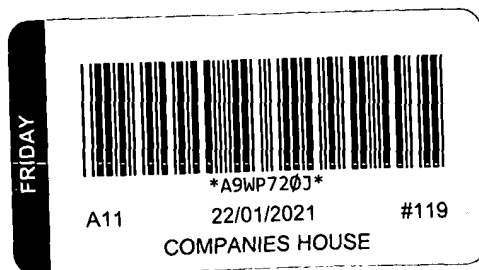
# The Culture Trip Ltd

Report and Financial Statements

Year Ended

30 September 2019

Company Number 07539023



# The Culture Trip Ltd

## Company Information

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<b>Directors</b>	Dr K Naudts L Chvatal R Sevela D Stoessel J Harrer
<b>Registered number</b>	07539023
<b>Registered office</b>	75 Davies Street London England W1K 5JN
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# The Culture Trip Ltd

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# The Culture Trip Ltd

## Group strategic report For the year ended 30 September 2019

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### Introduction

The directors present their strategic report and financial statements for the year ended 30 September 2019.

### Principal activities and business review

The group and the company are a global scale-up operating in travel, media and entertainment. The group and the company create stories that reveal what is unique and special about a place, its people and its culture. In-house creative and editorial teams work with a global network of freelance creators to tell location-centred stories around the world, including articles, videos, photography, illustration and animation. Through its website, apps, and social channels, and its network of more than 300 local creators, the group and the company reach a global monthly audience of more than 16 million.

The principal activities of the business for the financial year ended on 30 September 2019 are the production and distribution of content in various formats through its website, apps, social media channels, and magazine, and the provision of related marketing and advertising services.

Following the Series A investment in 2016 of £15.5m (\$20m) PPF Group led the Series B investment of £85m (\$110m) in the group in April 2018. The Series B investment is completed in two tranches (one of \$80 million and one of \$30 million) which are further divided into sub-tranches.

The year ended on 30 September 2019 saw turnover grow by 302% to £2.07 million (2018: £0.52 million), while operating losses increased to £38.10 million (2018: £23.96 million), and cash at bank and in hand decreased to £2.56 million (2018: increased to £12.47 million).

The increase in losses arising in the year is the result of the group's continued investment in its product, technology, content, sales and marketing teams, and their associated activities. The group considers that such investment is necessary to assist it in achieving its strategic goals, and to support further revenue growth.

### Principal risks and uncertainties

The group and the company recognises the potential financial risks that it faces and the board regularly considers each in turn to ensure that they are mitigated as far as possible. As part of this process the group undertakes a regular update of its medium term and long-range business plan.

#### *Technology risk*

The group's principal products are (accessible via) its website and apps, and consequently any interruption to, or failure of, its systems, software, and infrastructure could cause disruption to its users and customers. To mitigate these risks, the group regularly reviews its processes and policies in relation to technology stability, security, and continuity. Its principal user-facing products and services are hosted on cloud servers provided by leading global technology companies. Similarly, when procuring software and services from third parties, the group opts for cloud- and web-based where practicable.

#### *Economic and Competitive Environment*

The group's operations are affected by overall economic conditions in the markets in which it operates. A change in user demand for content and services, or in client demand for advertising and content production and distribution, could have a negative impact on the revenue and profit of the group. The management regularly reviews operating performance and corresponding investment decisions.

# The Culture Trip Ltd

Group strategic report (continued)  
For the year ended 30 September 2019

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## Principal risks and uncertainties (continued)

### *Privacy and Data Protection*

Unauthorised access to users' or clients' data could lead to reputational damage, compliance issues, and financial losses. To mitigate this risk the group maintains data and information security policies, provides its staff with training in relevant regulations, and requires its third-party suppliers to comply with all necessary legislation in the jurisdictions in which it operates.

### *Covid-19*

The directors have considered the principal risks and uncertainties related to Covid-19, and these are noted in the going concern section below.

## Key performance indicators

The directors review a number of financial and non-financial performance indicators when reviewing operating performance. The directors consider turnover and monthly unique visitors (MUVs) as the key performance indicators of the group. For the current period these KPIs were as follows:

	30/09/2019	30/09/2018
Turnover	<b>£2.07 million</b>	£0.52 million
Cash at bank and in hand	<b>£2.56 million</b>	£12.47 million
Monthly unique visitors	<b>16.4 million</b>	17.2 million

# The Culture Trip Ltd

## Group strategic report (continued) For the year ended 30 September 2019

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### Going concern

The directors have considered the forecasts for the group and the company. These forecasts assume that the group and the company will continue to invest in its product, technology, content, sales and marketing teams, and their associated activities, in order to achieve their strategic goals and to support further revenue growth for the next 12 months from the date of approval of these financial statements.

The group and the company received the final tranche of the \$110m Series B investment during the twelve months following the balance sheet date, through their controlling party/shareholder 'The Culture Trip Sarl', along with a further \$30m secured through the controlling party subsequent to this, which will be received in tranches, enabling the group and the company to continue working towards their strategic goals beyond September 2020.

The group has prepared forecasts for the next 12 months which show ongoing losses, as the group and company continue to be adversely impacted by the Covid-19 pandemic. The ongoing losses, along with the expected difficulties in growing revenue and further projected future losses, due to the effects of the pandemic resulting in the need for additional financial support from its parent entity, towards which \$30m was secured as above. The directors understand that the controlling party will continue to support the group and company due to its potential to grow into a profitable operation in the foreseeable future and has received a letter of support indicating that the controlling party will provide on-going financial support to the group and company for a period of at least 12 months from the date of approval of the financial statements. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

However, this letter of support is not legally binding, therefore a material uncertainty exists which may cast significant doubt over the ability of the group and company to continue as a going concern.

The financial statements do not include any adjustments that would result if the group and the company is unable to continue as a going concern.

### Future Developments

The group intends to continue to invest in its product, technology, content, sales, and marketing activities in order to achieve its strategic goals, and to support further revenue growth. In 2020, and to a lesser extent in 2021, the group is anticipating significantly reduced revenue due to the Covid-19 pandemic. As a result, a significant organisational restructure was carried out in 2020 to help manage the cost base during this time. This included a number of redundancies being made, which reduced staff costs by approximately 45%.

It is expected that the business will be in a position to scale up again once the effects of the pandemic have largely passed, and confidence returns in the travel sector.

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

  
.....  
D Stoessel  
Director

Date: 4 JANUARY 2021

# The Culture Trip Ltd

## Directors' report For the year ended 30 September 2019

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The directors present their report and the financial statements for the year ended 30 September 2019.

### Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activity

The principal activities of the business are the production and distribution of content in various formats, and the provision of related marketing and advertising services.

### Results

The loss for the year, after taxation, amounted to £36,398,361 (2018 - £23,955,335).

### Directors

The directors who served during the year were:

Dr K Naudts  
Y Adan (resigned 13 September 2020)  
L Chvatal  
N Mattos (resigned 23 October 2020)  
R Sevela (appointed 4 December 2019)  
D Stoessel (appointed 7 September 2020)  
J Harrer (appointed 7 September 2020)

### Employee involvement

The group's policy is to consult and discuss with employees, through regular forums, focus groups, team briefs and quarterly conferences matters likely to affect employees' interests.

# The Culture Trip Ltd

## Directors' report (continued) For the year ended 30 September 2019

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### Disabled employees

The group's policy is to recruit candidates with the appropriate knowledge, skills and aptitude for all vacancies, irrespective of disability. Reasonable assistance with initial training will be given. Reasonable arrangements will be made for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude and abilities.

### Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1-2.

### Disclosure of information to auditors

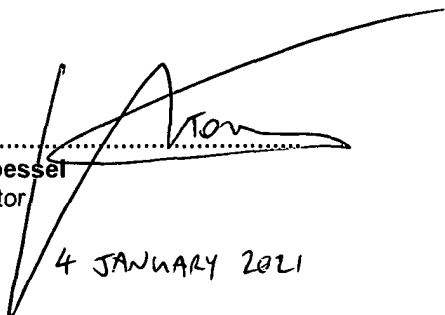
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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

  
.....  
D Stoessel  
Director

Date: 4 JANUARY 2021

# The Culture Trip Ltd

## Independent auditors' report to the members of The Culture Trip Ltd

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### Opinion

We have audited the financial statements of The Culture Trip Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019, which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2019 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty regarding going concern

We draw attention to Note 2.3 to the financial statements which indicates the directors' considerations over going concern including the potential effects of the Covid-19 pandemic. The group and parent company have suffered losses and have projected further losses due to being adversely impacted by the Covid-19 pandemic and is dependent on the financial support of its controlling party and shareholder, The Culture Trip Sarl, that is not in the form of a legally binding agreement.

As stated in note 2.3, these events or conditions, along with other matters set out in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# The Culture Trip Ltd

## Independent auditors' report to the members of The Culture Trip Ltd (continued)

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### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# The Culture Trip Ltd

## Independent auditors' report to the members of The Culture Trip Ltd (continued)

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### Responsibilities of directors

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

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

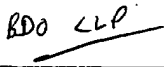
### Auditor's responsibilities for the audit of the financial statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
BDO LLP

**Andrew Viner** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 8 January 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# The Culture Trip Ltd

## Consolidated statement of comprehensive income For the year ended 30 September 2019

	Note	2019 £	2018 £
Turnover	4	2,070,210	515,308
Cost of sales		(716,362)	(119,017)
<b>Gross profit</b>		<b>1,353,848</b>	<b>396,291</b>
Administrative expenses		(39,454,818)	(24,296,037)
<b>Operating loss</b>	5	<b>(38,100,970)</b>	<b>(23,899,746)</b>
Interest receivable and similar income	9	10,269	47
Interest payable and similar charges	10	(115)	-
<b>Loss before tax</b>		<b>(38,090,816)</b>	<b>(23,899,699)</b>
Tax on loss	11	1,692,455	(55,636)
<b>Loss for the financial year</b>		<b>(36,398,361)</b>	<b>(23,955,335)</b>
Exchange translation differences on consolidation		(447,623)	(336,611)
<b>Total comprehensive loss for the year</b>		<b>(36,845,984)</b>	<b>(24,291,946)</b>

All amounts relate to continuing operations.

The notes on pages 16 to 37 form part of these financial statements.

**The Culture Trip Ltd**  
Registered number:07539023

**Consolidated statement of financial position**  
**As at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	492,462	455,683
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	701,404	730,241
Debtors: amounts falling due within one year	14	4,122,497	1,405,407
Cash and cash equivalents	15	2,558,272	12,473,651
		<u>7,382,173</u>	<u>14,609,299</u>
Creditors: amounts falling due within one year	16	(63,609,663)	(34,266,288)
<b>Net current liabilities</b>		<u>(56,227,490)</u>	<u>(19,656,989)</u>
<b>Net liabilities</b>		<u>(55,735,028)</u>	<u>(19,201,306)</u>
<b>Capital and reserves</b>			
Share capital	19	4,746	4,746
Share premium account	20	15,752,023	15,752,023
Profit and loss account	20	(71,491,797)	(34,958,075)
		<u>(55,735,028)</u>	<u>(19,201,306)</u>

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

.....  
  
**D Stoessel**  
 Director

Date: 4 JANUARY 2021

The notes on pages 16 to 37 form part of these financial statements.

**The Culture Trip Ltd**  
Registered number:07539023

**Company statement of financial position**  
**As at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	360,005	342,427
Investments	13	161,224	179
		<u>521,229</u>	<u>342,606</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	14	549,093	610,187
Debtors: amounts falling due within one year	14	3,670,333	1,317,198
Cash and cash equivalents	15	2,167,614	11,450,078
		<u>6,387,040</u>	<u>13,377,463</u>
Creditors: amounts falling due within one year	16	(63,978,433)	(34,204,738)
<b>Net current liabilities</b>		<u>(57,591,393)</u>	<u>(20,827,275)</u>
<b>Net liabilities</b>		<u>(57,070,164)</u>	<u>(20,484,669)</u>
<b>Capital and reserves</b>			
Share capital	19	4,746	4,746
Share premium account	20	15,752,023	15,752,023
Profit and loss account	20	(72,826,933)	(36,241,438)
		<u>(57,070,164)</u>	<u>(20,484,669)</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the company for the year was £36,780,817 (2018 - £27,132,547).

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

.....  
D Stoessel  
Director

Date: 4 JANUARY 2021

The notes on pages 16 to 37 form part of these financial statements.

## The Culture Trip Ltd

### Consolidated statement of changes in equity For the year ended 30 September 2019

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 October 2018	4,746	15,752,023	(34,958,075)	(19,201,306)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(36,398,361)	(36,398,361)
Currency translation differences	-	-	(447,623)	(447,623)
Share option charge	-	-	312,262	312,262
<b>At 30 September 2019</b>	<b>4,746</b>	<b>15,752,023</b>	<b>(71,491,797)</b>	<b>(55,735,028)</b>

### Consolidated statement of changes in equity For the year ended 30 September 2018

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 October 2017 (unaudited)	4,746	15,752,023	(10,847,962)	4,908,807
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(23,955,335)	(23,955,335)
Currency translation differences	-	-	(336,611)	(336,611)
Share options charge	-	-	181,833	181,833
<b>At 30 September 2018</b>	<b>4,746</b>	<b>15,752,023</b>	<b>(34,958,075)</b>	<b>(19,201,306)</b>

The notes on pages 16 to 37 form part of these financial statements.

# The Culture Trip Ltd

## Company statement of changes in equity For the year ended 30 September 2019

	Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018	4,746	15,752,023	(36,241,438)	(20,484,669)
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(36,780,817)	(36,780,817)
Share options charge	-	-	195,322	195,322
<b>At 30 September 2019</b>	<b>4,746</b>	<b>15,752,023</b>	<b>(72,826,933)</b>	<b>(57,070,164)</b>

## Company statement of changes in equity For the year ended 30 September 2018

	Share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2017 (as restated)	4,746	15,752,023	(9,166,995)	6,589,774
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(27,132,547)	(27,132,547)
Share options charge	-	-	58,104	58,104
<b>At 30 September 2018</b>	<b>4,746</b>	<b>15,752,023</b>	<b>(36,241,438)</b>	<b>(20,484,669)</b>

The notes on pages 16 to 37 form part of these financial statements.

# The Culture Trip Ltd

## Consolidated statement of cash flows For the year ended 30 September 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(36,398,361)	(23,955,335)
<b>Adjustments for:</b>		
Depreciation of tangible assets (note 12)	264,933	124,691
Loss on disposal of tangible assets	(286)	271
Interest charged to income statement (note 10)	115	-
Interest credited to income statement (note 9)	(10,269)	(47)
Taxation charge (note 11)	(1,692,455)	55,636
Increase in debtors (note 14)	(1,858,210)	(1,399,382)
Increase in creditors (note 16)	1,106,098	1,654,401
Corporation tax	(123,757)	58,916
Foreign exchange	(449,993)	(337,581)
Share option charge (note 21)	312,262	181,833
<b>Net cash used in operating activities</b>	<b>(38,849,923)</b>	<b>(23,616,597)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets (note 12)	(300,138)	(409,070)
Sale of tangible fixed assets	1,082	-
Purchase of fixed asset investments	-	(123,729)
Interest received (note 9)	10,269	47
<b>Net cash used in investing activities</b>	<b>(288,787)</b>	<b>(532,752)</b>

# The Culture Trip Ltd

## Consolidated statement of cash flows (continued) For the year ended 30 September 2019

	2019 £	2018 £
<b>Cash flows from financing activities</b>		
New loans from group companies (note 16)	29,239,528	31,823,817
Interest paid (note 10)	(115)	-
<b>Net cash from financing activities</b>	<u>29,239,413</u>	<u>31,823,817</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(9,899,297)</u>	<u>7,674,468</u>
Cash and cash equivalents at beginning of year (note 15)	12,453,254	4,778,786
<b>Cash and cash equivalents at the end of year</b>	<u><u>2,553,957</u></u>	<u><u>12,453,254</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand (note 15)	2,558,272	12,473,651
Bank overdrafts (note 15)	(4,315)	(20,397)
	<u><u>2,553,957</u></u>	<u><u>12,453,254</u></u>

The notes on pages 16 to 37 form part of these financial statements.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 1. General information

The Culture Trip Ltd is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

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

#### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- Disclosures in respect of the parent company's share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

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

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

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The directors have considered the forecasts for the group and the company. These forecasts assume that the group and the company will continue to invest in its product, technology, content, sales and marketing teams, and their associated activities, in order to achieve their strategic goals and to support further revenue growth for the next 12 months from the date of approval of these financial statements.

The group and the company received the final tranche of the \$110m Series B investment during the twelve months following the balance sheet date, through their controlling party/shareholder 'The Culture Trip Sarl', along with a further \$30m secured through the controlling party subsequent to this, which was received in tranches, enabling the group and the company to continue working towards their strategic goals beyond September 2020.

The group has prepared forecasts for the next 12 months which show ongoing losses, as the group and company continue to be adversely impacted by the Covid-19 pandemic. The ongoing losses, along with the expected difficulties in growing revenue and further projected future losses, due to the effects of the pandemic resulting in the need for additional financial support from its parent entity, towards which \$30m was secured as above. The directors understand that the controlling party will continue to support the group and company due to its potential to grow into a profitable operation in the foreseeable future and has received a letter of support indicating that the controlling party will provide on-going financial support to the group and company for a period of at least 12 months from the date of approval of the financial statements. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

However, this letter of support is not legally binding, therefore a material uncertainty exists which may cast significant doubt over the ability of the group and company to continue as a going concern.

The financial statements do not include any adjustments that would result if the group and the company is unable to continue as a going concern.

#### 2.4 Revenue

The group earns revenue from advertising/content revenue, which is recognised in line with fulfilment of contractual obligations with clients such as number of impressions the content generates, production of the content, event live etc and from marketing revenue, which is recognised as and when amounts become payable to the Group by its affiliate partners, in accordance with the commercial agreements in place.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 years
Office equipment	- 3 years
Computer equipment	- 3 years
Website	- 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

#### 2.6 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

#### 2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.8 Debtors

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

#### 2.9 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.10 Financial instruments

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

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.11 Creditors

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

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.12 Finance costs

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

#### 2.13 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

#### 2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with fair value of goods and services received.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

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

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

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

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 2. Accounting policies (continued)

#### 2.16 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### 2.17 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The group calculates the cost of certain share-based payments by reference to the fair value of the equity instruments granted. The fair value of the instruments granted is subject to management estimate and any changes to these estimates may have a significant effect on the share-based payment charge to the income statement.

Other key sources of estimation uncertainty:

- **Tangible fixed assets (see note 12)**  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Impairment of debtors**  
The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.
- **Revenue recognition**  
Determining the amount of revenue to recognise in respect of project work ongoing at the year end. Factors taken into account in assessing the percentage completion of a project include hours worked versus budget, project phases, milestones completed or deliverables issued to the client.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 4. Turnover

The whole of revenue and profit before taxation is attributable to the principal activity of the provision of marketing and advertising services.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	1,170,169	271,633
Europe	57,008	97,485
Asia	143,666	22,840
USA	694,866	123,291
Rest of the world	4,500	59
	<u>2,070,209</u>	<u>515,308</u>

Analysis of turnover by stream:

	2019 £	2018 £
Advertising revenue	1,641,598	322,876
Marketing revenue	277,125	192,432
Other revenue	151,486	-
	<u>2,070,209</u>	<u>515,308</u>

### 5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	264,933	124,691
Loss on disposal of fixed assets	286	271
Foreign exchange loss	2,629,820	985,812
Other operating lease rentals	1,059,527	468,298
Share based payment	312,262	181,833
	<u>4,266,828</u>	<u>1,763,505</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its subsidiaries for the audit of the Group's annual financial statements	<u>41,050</u>	<u>30,100</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	4,500	4,500
All other non-audit services not included above	8,750	10,750
	<u>13,250</u>	<u>15,250</u>

### 7. Employees

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

	2019 £	2018 £
Wages and salaries	19,891,055	11,352,989
Social security costs	1,839,353	978,864
Cost of defined contribution scheme	473,863	164,438
	<u>22,204,271</u>	<u>12,496,291</u>

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

	2019 No.	2018 No.
Employees	288	190
Directors	1	1
	<u>289</u>	<u>191</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	360,000	225,000
Company contributions to defined contribution pension schemes	40,200	7,950
	<u>400,200</u>	<u>232,950</u>

The highest paid director received remuneration of £360,000 (2018 - £255,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £40,200 (2018 - £7,950).

### 9. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	10,269	47
	<u>10,269</u>	<u>47</u>

### 10. Interest payable and similar charges

	2019 £	2018 £
Bank interest payable	115	-
	<u>115</u>	<u>-</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 11. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on losses for the year	(1,802,226)	-
Adjustments in respect of previous periods relating to R&D credit	-	(91,781)
<b>Foreign tax</b>		
Foreign tax on income for the year	132,225	160,313
<b>Total current tax</b>	<u>(1,670,001)</u>	<u>68,532</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(22,454)	(12,896)
<b>Total deferred tax</b>	<u>(22,454)</u>	<u>(12,896)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(1,692,455)</u>	<u>55,636</u>

#### Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(38,090,816)</u>	<u>(23,899,699)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(7,237,255)	(4,540,943)
<b>Effects of:</b>		
Fixed asset differences	967	-
Expenses not deductible for tax purposes	108,195	360,221
Additional deduction for R&D expenditure	(1,334,782)	-
Surrender of tax losses for R&D tax credit refund	559,311	-
Difference in overseas tax rates	-	(307,360)
Adjustments in respect of previous periods relating to R&D credit	-	(91,781)
Deferred tax unrecognised	6,211,109	4,635,499
<b>Total tax (credit)/charge for the year</b>	<u>(1,692,455)</u>	<u>55,636</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 12. Tangible fixed assets

#### Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Website £	Total £
<b>Cost</b>					
At 1 October 2018	80,486	453,792	93,508	30,816	658,602
Additions	13,531	218,880	67,727	-	300,138
Disposals	-	(796)	-	-	(796)
Exchange adjustments	717	5,104	-	-	5,821
At 30 September 2019	<u>94,734</u>	<u>676,980</u>	<u>161,235</u>	<u>30,816</u>	<u>963,765</u>
<b>Depreciation</b>					
At 1 October 2018	18,950	126,367	27,936	29,666	202,919
Charge for the year	8,631	218,243	37,029	1,030	264,933
Exchange adjustments	471	2,980	-	-	3,451
At 30 September 2019	<u>28,052</u>	<u>347,590</u>	<u>64,965</u>	<u>30,696</u>	<u>471,303</u>
<b>Net book value</b>					
At 30 September 2019	<u>66,682</u>	<u>329,390</u>	<u>96,270</u>	<u>120</u>	<u>492,462</u>
At 30 September 2018	<u>61,536</u>	<u>327,424</u>	<u>65,573</u>	<u>1,150</u>	<u>455,683</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 12. Tangible fixed assets (continued)

#### Company

	Fixtures and fittings £	Office equipment £	Website £	Total £
<b>Cost</b>				
At 1 October 2018	71,354	377,600	30,816	479,770
Additions	9,360	206,973	-	216,333
Disposals	-	(796)	-	(796)
At 30 September 2019	<u>80,714</u>	<u>583,777</u>	<u>30,816</u>	<u>695,307</u>
<b>Depreciation</b>				
At 1 October 2018	13,592	94,085	29,666	137,343
Charge for the year	4,860	192,069	1,030	197,959
At 30 September 2019	<u>18,452</u>	<u>286,154</u>	<u>30,696</u>	<u>335,302</u>
<b>Net book value</b>				
At 30 September 2019	<u>62,262</u>	<u>297,623</u>	<u>120</u>	<u>360,005</u>
At 30 September 2018	<u>57,762</u>	<u>283,515</u>	<u>1,150</u>	<u>342,427</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 13. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 October 2018	123,908
Additions	161,045
At 30 September 2019	<u>284,953</u>
<b>Impairment</b>	
At 1 October 2018	123,729
At 30 September 2019	<u>123,729</u>
<b>Net book value</b>	
At 30 September 2019	<u>161,224</u>
At 30 September 2018	<u>179</u>

During the year the company invested £161,045 in Shanghai Culture Trip IT Co.

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
The Culture Trip (USA) Ltd	USA	Ordinary	100%
Culture Trip (Israel) Ltd	Israel	Ordinary	100%
Shanghai Culture Trip IT Co	China	Ordinary	100%

Culture Trip (Israel) Ltd is registered in Israel and the address of the registered office is Unit 7, 113 Allenby St., Tel Aviv.

The Culture Trip (USA) Ltd is registered in the United States and the address of the registered office is 251 Little Falls Drive, Wilmington, DE 19819, US.

Shanghai Culture Trip IT Co is registered in China and the address of the registered office is Room 368, Unit 302, 211 Fute North Road, China (Shanghai).

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Due after more than one year</b>				
Other debtors	342,194	371,031	189,883	250,977
Loan recoverable from director	359,210	359,210	359,210	359,210
	<u>701,404</u>	<u>730,241</u>	<u>549,093</u>	<u>610,187</u>
	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Due within one year</b>				
Trade debtors	570,755	147,194	400,107	144,094
Other debtors	454,569	265,571	372,485	224,218
Prepayments and accrued income	1,266,251	888,272	1,095,515	857,105
Tax recoverable	1,795,879	91,781	1,802,226	91,781
Deferred taxation	35,043	12,589	-	-
	<u>4,122,497</u>	<u>1,405,407</u>	<u>3,670,333</u>	<u>1,317,198</u>

### 15. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	2,558,272	12,473,651	2,167,614	11,450,078
Less: bank overdrafts	(4,315)	(20,397)	(4,315)	(9,456)
	<u>2,553,957</u>	<u>12,453,254</u>	<u>2,163,299</u>	<u>11,440,622</u>

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	4,315	20,397	4,315	9,456
Trade creditors	1,303,341	1,380,322	1,209,008	1,365,250
Amounts owed to group undertakings	60,166,837	31,823,817	61,063,345	32,107,118
Corporation tax	-	89,659	-	-
Taxation and social security	631,531	122,433	438,253	-
Other creditors	1,026,841	515,049	855,974	454,282
Accruals and deferred income	476,798	314,611	407,538	268,632
	<u>63,609,663</u>	<u>34,266,288</u>	<u>63,978,433</u>	<u>34,204,738</u>

### 17. Financial instruments

	Group 2019 £	Group 2018 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>4,101,939</u>	<u>13,085,896</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(62,769,971)</u>	<u>(34,126,255)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts and other loans, trade and other creditors and accrued expenses.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 18. Deferred taxation

#### Group

	2019 £	
At beginning of year	12,589	
Charged to profit or loss	22,454	
<b>At end of year</b>	<b>35,043</b>	
	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Other timing differences	35,043	12,896
Charged to other comprehensive income	-	(307)
	<b>35,043</b>	<b>12,589</b>

### 19. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,000,010 (2018 - 1,000,010) A Ordinary shares of £0.001334 each	1,334	1,334
1,554,392 (2018 - 1,554,392) B Ordinary shares of £0.001334 each	2,074	2,074
617,827 (2018 - 617,827) D Ordinary shares of £0.001334 each	824	824
385,307 (2018 - 385,307) E Ordinary shares of £0.001334 each	514	514
	<b>4,746</b>	<b>4,746</b>

The A, B and D shareholders are entitled to receive notice of, attend and speak at the general meetings of the company. The A, B and D shareholders shall each have one vote on a show of hands and one vote for each share on a poll. The E shareholders shall not be entitled to receive notice of, attend and speak at or vote at the general meetings of the company.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 20. Reserves

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 21. Share based payments

The group operates an equity-settled share based remuneration scheme for employees, directors and consultants. The only vesting condition for options granted to employees is that the individual remains an employee of the group over the three year vesting period.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	1.62	743,430	1.62	1,035,930
Granted during the year	3.34	209,250		-
Forfeited during the year		-	1.61	(292,500)
<b>Outstanding at the end of the year</b>	<b>2.00</b>	<b>952,680</b>	<b>1.62</b>	<b>743,430</b>

The following information is relevant in the determination of the fair value of options granted during the current and previous years under the equity-settled share based remuneration schemes operated by the group:

Option pricing model used	2019 Black-Scholes
Weighted average share price (pence)	2.28
Exercise price (pence)	10.01
Weighted average contractual life (years)	10
Expected volatility	60%
Risk-free interest rate	1.24

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publically quoted companies.

	2019 £	2018 £
Group charge to the profit and loss account	<b>312,262</b>	<b>181,833</b>

The group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

### 22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £473,863 (2018 - £164,438). £93,797 was outstanding at the end of the year (2018 - £48,921).

### 23. Commitments under operating leases

At 30 September 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	741,868	824,173
Later than 1 year and not later than 5 years	371,070	92,018
	<u>1,112,938</u>	<u>916,191</u>

### 24. Other financial commitments

At 30 September 2019, the group has total commitments of £2,576,965 (2018 - £441,576) for services, which are contracted for but not provided for in the financial statements.

### 25. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that the entities party to the transactions are wholly owned members within the same group.

At 30 September 2019, £359,210 (2018 - £359,210) was included in other debtors due after more than one year, due from the directors. These loans carry interest of 2.5% per annum.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £1,855,703 (2018 - £844,415).

### 26. Post balance sheet events

The group and the company received the final tranche of the \$110m Series B investment during the twelve months following the balance sheet date, through their controlling party/shareholder 'The Culture Trip Sarl', the directors of the company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the company, its customers and employees. Further as indicated in Note 27, the ultimate controlling party is Vox Ventures B.V. from 7 September 2020.

# The Culture Trip Ltd

## Notes to the financial statements For the year ended 30 September 2019

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### 27. Controlling party

The immediate parent company is The Culture Trip SARL, a limited company registered in Luxembourg.

The ultimate controlling party, with effect from 7 Sep 2020 is Vox Ventures B.V., who increased their shareholding to 55.11% of the capital in The Culture Trip SARL. The ultimate beneficiary of Vox Ventures B.V. is Petr Kellner