

# Viator Limited

Annual Report and Financial Statements  
Registered Number 04109272  
31 December 2019



## Contents

Directors and advisers	1
Directors' report	2
Statement of directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of Viator Limited	4
Profit and loss account and other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

## **Directors and advisers**

### **Directors**

Sarah Jo Wellman  
Mark Scodie (appointed 26<sup>th</sup> August 2019)  
Gail Wasylshyn (appointed 26th August 2019)  
Linda C. Frazier (appointed 26th August 2019)

### **Registered Office**

7 Soho Square, London, W1D 3QB

### **Independent Auditor**

KPMG LLP  
2 Forbury Place  
33 Forbury Road  
Reading  
RG1 3AD

## **Directors' report**

The directors present their report and audited financial statements of the Company for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the Company is marketing and administrative support for related entities.

### **Going concern**

As a result of losses in certain previous periods, the Company is dependent upon the on-going financial support of the ultimate parent company, TripAdvisor Inc., which has confirmed that it will provide financial support to the Company to enable it to continue trading for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

### **Directors**

The directors who held office during the year were Mark Scodie, Gail Wasylyshyn, Linda C. Frazier and Sarah Jo Wellman.

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2018: nil).

### **Results and dividends**

The result for the year ended 31 December 2019 is set out on page 6. The profit for the financial year was £384,583 (2018: £290,422). The directors do not recommend the payment of a dividend.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Strategic report exemption**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

## Directors' report (Continued)

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

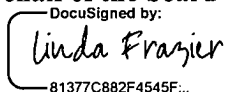
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### On behalf of the board

DocuSigned by:  


81377C882F4545F...  
**Linda C. Frazier**

*Director*

7 Soho Square

London W1D 3QB

Date: 15 December 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIATOR LIMITED**

### **Opinion**

We have audited the financial statements of Viator Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

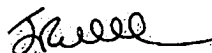
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the 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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Russell (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
2 Forbury Place  
33 Forbury Road  
Reading  
RG1 3AD

15 December 2020

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2019*

	Notes	2019 £	2018 £
<b>Turnover</b>	2	7,687,509	8,172,619
Distribution costs		(741,201)	(423,497)
Administrative expenses		(6,475,799)	(7,343,151)
<b>Operating profit</b>	5	<u>470,509</u>	<u>405,971</u>
<b>Profit before taxation</b>		470,509	405,971
Tax on profit	6	(85,926)	(115,549)
<b>Profit for the financial year</b>		<u>384,583</u>	<u>290,422</u>
<b>Total comprehensive income</b>		<u>384,583</u>	<u>290,422</u>

The results for the years above are derived entirely from continuing operations.

The Company has no comprehensive income for 2019 or 2018 other than that included in the Profit and Loss Account, and therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 9 to 19 form an integral part of these financial statements.

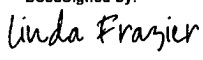


**Balance Sheet**  
*at 31 December 2019*

	<i>Notes</i>	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	7	2,285	5,332
		<u>2,285</u>	<u>5,332</u>
<b>Current assets</b>			
Debtors	8	3,079,268	668,764
Cash at bank and in hand	9	2,830,024	7,548,597
		<u>5,909,292</u>	<u>8,217,361</u>
<b>Total current assets</b>			
<b>Creditors: amounts falling due within one year</b>	10	(6,731,801)	(9,771,195)
		<u>(822,509)</u>	<u>(1,553,834)</u>
<b>Net current liabilities</b>			
<b>Total assets less current liabilities</b>		(820,223)	(1,548,502)
<b>Net liabilities</b>		<u>(820,223)</u>	<u>(1,548,502)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Other reserves		972,141	628,445
Profit and Loss Account		(1,792,365)	(2,176,948)
		<u>(820,223)</u>	<u>(1,548,502)</u>
<b>Shareholders' deficit</b>			

The notes on pages 9 to 19 form an integral part of these financial statements.

The financial statements were approved by the board of directors on 15 December 2020 and were signed on its behalf by:

DocuSigned by:  
  
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*Director*

Company Number: 04109272

## Statement of Changes in Equity

	Called up Share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2018	1	537,481	(2,467,370)	(1,929,888)
<b>Total comprehensive income for the period</b>				
Profit	-	-	290,422	290,422
<b>Contributions by and distributions to owners:</b>				
Equity-settled share based payment transactions	-	90,964	-	90,964
<b>Balance at 31 December 2018</b>	<b>1</b>	<b>628,445</b>	<b>(2,176,948)</b>	<b>(1,548,502)</b>
	£	£	£	£
Balance at 1 January 2019	1	628,445	(2,176,948)	(1,548,502)
<b>Total comprehensive income for the period</b>				
Profit	-	-	384,583	384,583
<b>Contributions by and distributions to owners:</b>				
Equity-settled share based payment transactions	-	343,696	-	343,696
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>972,141</b>	<b>(1,792,365)</b>	<b>(820,223)</b>

The notes on pages 9 – 19 form part of these financial statements

## **Notes to the financial statements** *(forming part of the financial statements)*

### **1 Accounting policies**

Viator Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, TripAdvisor, Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of TripAdvisor, Inc. are prepared in accordance with US GAAP Reporting Standards and are available to the public and may be obtained from the Company Secretary at 400 1st Avenue, Needham, Massachusetts, USA or from [www.tripadvisor.com](http://www.tripadvisor.com).

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Balance Sheet paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

## Notes to the financial statements (*Continued*)

### 1 Accounting policies (*continued*)

#### 1.1 *Measurement convention*

The financial statements are prepared on the historical cost basis.

#### 1.2 *Going concern*

The financial statements have been prepared on the going concern basis, notwithstanding the Company's net liabilities of £795,503 (2018: £1,548,502), which the directors believe to be appropriate for the reasons set out below.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

At a local level, the Company is a limited risk service provider for affiliate companies that is guaranteed a set margin in accordance with the relevant intercompany relationships. It is possible that Viator Limited may see a reduction in operating profit for the period due to reduced expenses incurred by the Company in providing these limited risk services to its affiliate companies. However, given that the Company is ensured to achieve a set margin, the financial risks relating to COVID 19 are significantly reduced.

The Directors are currently aware of no conditions that might cast significant doubt on the ability of the relevant affiliate companies to continue to remunerate the entity for the foreseeable future, for a period of not less than twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due, for at least 12 months from the date of approval of the financial statements, and therefore have prepared the financial statements on a going concern basis.

#### 1.3 *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

## Notes to the financial statements (*Continued*)

### 1 Accounting policies (*continued*)

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- computer equipment 3 years
- office furniture 5 years
- leasehold improvements Over the lease term

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

#### 1.5 Share-based payment transactions

The Company participates in the TripAdvisor Inc. ("TripAdvisor") 2019 Stock Annual Incentive Plan. Pursuant to the plan, employees can receive remuneration in the form of Stock Options and Restricted Stock Units ("RSUs") from TripAdvisor, Inc., the ultimate parent and controlling company, as set out in note 15. The Company accounts for share based payments in accordance with FRS 102.26 Share Based Payments, which requires all employee share awards to be expensed in the profit and loss statement with the expense measured at fair value at the date of grant and amortised over the vesting period.

#### 1.6 Provisions

A provision is recognised in the Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### 1.7 Turnover

Turnover represents amounts invoiced for marketing and administrative support services provided to Viator Limited's intercompany affiliates under inter-company agreements. Invoices are raised on a monthly basis in relation to the support services provided in that month.

## **Notes to the financial statements (Continued)**

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

#### **1.8 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes to the financial statements *(Continued)*

### 2 Turnover

	2019	2018
	£	£
Rendering of intercompany services	7,687,509	8,172,619
Total turnover	<u>7,687,509</u>	<u>8,172,619</u>

### 3 Auditor's Remuneration

	2019	2018
	£	£
Audit of these financial statements	<u>22,575</u>	<u>21,500</u>

### 4 Staff numbers and costs and directors' remuneration

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Customer Support	19	11
Technology & Content	5	-
Sales & Marketing	52	42
General & Administration	3	-
	<u>79</u>	<u>53</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages, salaries, bonuses and benefits	4,132,090	3,886,817
Share based payments (See note 12)	439,868	158,274
Social security costs	492,031	386,922
Pension costs	137,793	103,720
	<u>5,201,782</u>	<u>4,535,733</u>

## Notes to the financial statements *(Continued)*

### 4 Staff numbers and costs and directors' remuneration (continued)

The directors' services to the company do not occupy a significant amount of their time due to their roles with other TripAdvisor group companies. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2019 (2018 – £nil).

### 5 Operating Profit

Operating profit is stated after charging:

	2019	2018
	£	£
Net foreign exchange gain (loss)	<u>(184,621)</u>	<u>(1,820,676)</u>

### 6 Taxation

#### Total tax expense recognised in the Profit and Loss Account, other comprehensive income and equity

	2019		2018	
	£	£	£	£
Current tax		115,977		132,287
<i>Deferred tax (refer to note 11)</i>				
Origination and reversal of timing differences	(33,586)		(18,707)	
Change in tax rate	3,535		1,969	
Total deferred tax		<u>(30,051)</u>		<u>(16,738)</u>
Taxation on profit from ordinary activities		<u>85,926</u>		<u>115,549</u>

#### *Factors Affecting Tax Charge for the Current Period*

The UK standard rate of corporation tax is 19.00% (2018: 19.00%)



## Notes to the financial statements (*Continued*)

### 6 Taxation (*continued*)

The tax assessed for the year is greater than the standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on activities before tax	<u>470,509</u>	<u>405,971</u>
Tax on profit on ordinary activities at standard rate of 19.00% (2018: 19.00%)	89,397	77,134
Non-deductible expenses	2,493	2,270
Difference between deferred tax and current tax rates	-	-
Effect of rate change in deferred tax rate	3,535	1,969
Adjustment for stock options and RSUs vested	-	-
Share based payments not deductible for tax	(11,655)	(19,788)
Prior period adjustments	2,156	53,964
Tax relief for employee share acquisition	-	-
<b>Total tax charge</b>	<u>85,926</u>	<u>115,549</u>

#### *Factors that may affect future tax charges*

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £9,612.

## Notes to the financial statements *(Continued)*

### 7 Tangible fixed assets

	Computer Equipment £	Total £
<b>Cost</b>		
Balance at 1 January 2019	<u>9,141</u>	<u>9,141</u>
Balance at 31 December 2019	<u>9,141</u>	<u>9,141</u>
<b>Depreciation and impairment</b>		
Balance at 1 January 2019	3,809	3,809
Depreciation charge for the year	<u>3,047</u>	<u>3,047</u>
Balance at 31 December 2019	<u>6,856</u>	<u>6,856</u>
<b>Net book value</b>		
At 1 January 2019	<u>5,332</u>	<u>5,332</u>
<b>At 31 December 2019</b>	<u>2,285</u>	<u>2,285</u>

### 8 Debtors

	2019 £	2018 £
Other debtors	2,682,133	36,453
Deferred tax assets (see note 11)	81,703	51,653
Amounts owed by group companies	225,836	564,442
Prepayments and accrued income	89,595	16,216
	<u>3,079,267</u>	<u>668,764</u>

### 9 Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>2,830,024</u>	<u>7,548,597</u>

## Notes to the financial statements (*Continued*)

### 10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	7,898	21,620
Amounts owed to group undertakings	6,011,366	9,237,065
Taxation and social security	189,210	117,749
Accruals and deferred income	523,327	394,761
	<u>6,731,801</u>	<u>9,771,195</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand. The ultimate parent undertaking has confirmed that neither TripAdvisor, Inc. nor any of its subsidiaries will call for repayment of the amount due from Viator Limited as at 31 December 2019 until the Company has the financial ability to make such repayments without any significant curtailments to its operations.

### 11 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2019	2018
	£	£
<i>Movement on deferred taxation balance in the period</i>		
Opening balance (Dr)/Cr	(51,653)	(34,915)
Charge/(credit) to Profit and Loss Account	(30,051)	(16,737)
Other	1	(1)
	<u>(81,703)</u>	<u>(51,653)</u>

#### *Analysis of Deferred Tax Balance*

Capital allowances in excess of depreciation	(2,848)	(3,041)
Short term timing differences – trading	(78,855)	(48,612)
	<u>(81,703)</u>	<u>(51,653)</u>

## Notes to the financial statements (*Continued*)

### 12 Share based payments

#### *Share Option Plan*

Share options are granted to senior executives and those promoted or recruited into managerial positions. Options generally vest over four years following grant, and are exercisable during defined trading windows. Options typically have a life term of ten years. There are no cash settlement alternatives.

#### *Restricted Stock Units*

Restricted stock units (RSUs) are stock awards that are granted to employees entitling the holder to shares of common stock as the award vests, generally vesting over a four-year period. RSUs are measured at estimated fair value on the number of shares granted and the quoted market price of TripAdvisor, Inc. common stock at the date of the grant.

### 13 Share capital

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i>		
One ordinary share of £1 each	1	1
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### 14 Events after the balance sheet date

In December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China, and on March 11, 2020 was declared a global pandemic. We are subject to risks and uncertainties as a result of the COVID-19 pandemic. The impact of COVID-19 has caused material declines in demand within the travel, hospitality, restaurant and leisure industry concurrent with travel bans and increased governmental restrictions and mandates globally that has dampened consumer demand for our products and services, which has adversely and materially affected our business, results of operations and financial condition. We believe the travel industry and our business will continue to be adversely and materially affected while travel bans and other government restrictions and mandates continue to remain in place, particularly in the U.S. However, the extent of the impact of the COVID-19 pandemic on our business remains highly uncertain and difficult to predict, as the response to the pandemic continues to be ongoing, shifting as information is rapidly evolving, and the duration and severity of the pandemic are also uncertain and cannot be predicted. In addition, we do not have visibility into when these bans will be lifted, where additional bans may be initiated, or where bans that have been previously lifted are reinstated due to resurgence of virus, nor do we have visibility into the changes to consumer usage patterns on our platform or travel behaviour patterns when travel bans and other government restrictions and mandates are fully lifted.

Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic disruption could have a material adverse effect on our business as consumers reduce their discretionary spending. Policymakers around the globe have responded with fiscal policy actions to support certain areas of the travel industry and economy as a whole. The magnitude and overall effectiveness of these actions remains uncertain.

## Notes to the financial statements *(Continued)*

### 14 Events after the balance sheet date (continued)

The Company's future results of operations and liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms, travel supplier and restaurant insolvencies, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by the Company and its customers. As of the date of issuance of these financial statements, the extent and duration to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations in the future continues to be uncertain.

### 15 Related parties

The related party transactions are with the immediate parent entity – Viator Inc., a company incorporated in USA and related entities – Tripadvisor LLC, a company registered in USA and TripAdvisor Ltd, a company registered in UK. The Company charges management fees to Viator Inc., collects funds from European based customers on behalf of Viator Inc., and provides marketing support services to Viator Inc. and Tripadvisor LLC. The Company also sublets office space from TripAdvisor Ltd, an entity which has also paid various expenses on the Company's behalf.

None of the balances with related entities are considered doubtful. There was no doubtful debt provision in place and there were no amounts written off during 2019 in relation to related party debts.

The Company has taken advantage of exemptions available under FRS 102 section 33 from disclosing transactions entered into between wholly owned members of the same group. There were no related party transactions with non-wholly owned members of the group.

### 16 Ultimate parent company and Immediate parent company of larger group

The Company is a subsidiary undertaking of Viator, Inc. The ultimate parent is TripAdvisor, Inc.

The largest group in which the results of the Company are consolidated is that headed by TripAdvisor, Inc., incorporated in USA. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from the Company Secretary at 400 1st Avenue, Needham, Massachusetts, USA or from [www.tripadvisor.com](http://www.tripadvisor.com).