



TAX TRANSPARENCY REPORT

Year ended 31 December 2022



Introduction

We're a global, purpose-led experiential travel brand.

In 2022 we got back to doing what we do best: creating positive change through the joy of travel.

Our business consists of our global travel brand, Intrepid Travel; our global network of operating companies (destination management companies or DMCs); our day-tour company – Intrepid Urban Adventures, and our not-for-profit organisation, the Intrepid Foundation.

We have 26* offices around the world and operate more than 1,150 adventures in 120 countries across all seven continents.

Together we're the world's largest travel B Corp, which means we balance purpose and profit to create positive impact beyond our bottom line – ensuring we give back to communities, the environment and our people.

**As at December 2022*

For the real. For the curious.





1. Our Business Activities

Intrepid travel started in 1989 in Australia as a tour and travel agency providing specialised tours to various destinations in Asia.

Intrepid pioneered the concept of small group adventures by focusing on creating unique, interactive travel experiences. The intent was to let travellers experience the real culture and tradition of a destination by creating itineraries that are creative and innovative, and at the same time, encourage responsible travel.

Intrepid is now well established as a leading provider of adventure tours, and differentiates itself from competitors via the following value drivers:

- Brand name and reputation;
- Niche product offering;
- Purpose; and
- Marketing strategy and positioning.

Intrepid designs, markets and operates a range of trips spanning across the world, all underpinned by its responsible travel ethos. Further, to strengthen its position locally, Intrepid has relationships with various local contractors and DMCs who assist it in organizing the tours for its travellers.

Intrepid's key operations include the provision and sale of tours and experiences. Entities within the business are divided into the following categories:

- Holding companies;
- Sales and marketing entities: sell Intrepid tours to customers;
- Destination Management Companies: provide a range of services in relation to tours for Intrepid and other leading travel brands; and
- Shared Service Centres: provide support services across the business.

2. Our Approach To Tax

On behalf of the Board, we are very pleased to present Intrepid's first Tax Transparency Report for the 2022 financial year. The information in this report is released on a voluntary basis in accordance with the recommendations and guidelines contained in the Board of Taxation's Voluntary Tax Transparency Code.

Intrepid is dedicated to being a good corporate tax citizen and we are committed to complying with all applicable tax legislation, regulations, reporting and disclosure requirements in the countries in which we operate.

Specifically, Intrepid seeks to pay tax in the jurisdictions where business is conducted in accordance with local requirements and globally accepted taxation principles.

Additionally, we aim to maintain an open, proactive, professional and transparent relationship with tax authorities and other relevant government authorities.

The following principles outline our approach to tax.

2.1 Governance

Intrepid considers the seven principles of effective tax governance to be the fundamental foundations applicable to all its global entities in order to achieve the underlying philosophies of the group.

The seven principles of effective tax governance are:

1. Accountable management and oversight
2. Recognise tax risks
3. Seek advice
4. Integrity in reporting
5. Professional and productive working relationship
6. Timely lodgments and payments
7. Ethical and responsible behaviour.

These principles form the basis of the governance framework policy and processes of Intrepid to ensure accurate reporting, correct application of tax laws and effective management of tax risk.

The Intrepid Governance Framework includes the following stakeholders and responsibilities:

- The Intrepid Group Board has the ultimate responsibility to ensure accurate reporting, correct application of tax laws and effective management of tax risk.
- The Audit & Risk Committee oversees the tax risk of Intrepid and amongst other things, is responsible for:
 - endorsing a formalised tax control framework that describes how the organisation identifies and manages tax risk; and
 - ensuring that appropriate systems and procedures are in place to identify, monitor and mitigate tax risks.
- The Chief Financial Officer provides direction of the group tax strategy and is the Public Officer in Australia.
- The General Manager Finance is accountable for management of tax across Intrepid.
- The Group Tax Manager holds accountability for the management, risk and compliance tax activities.





2.2 Tax Strategy

At Intrepid, we seek to ensure that the tax strategy is in accordance with our wider overall group strategy and our approach to risk.

Tax risk is the risk that Intrepid may be paying or accounting for an incorrect amount of tax, either monetary wise or in the incorrect period, or that the tax positions adopted are out of step with the tax risk appetite that the directors have authorised or believe is prudent.

Intrepid has a conservative approach to managing tax positions adopted and will not be involved in aggressive tax planning. Additionally, we do not engage in artificial tax arrangements.

2.3 Tax Risk Management

Intrepid's tax risk management policies are framed by the Intrepid's underlying philosophies with respect to taxation.

The purpose of tax risk management is to identify, highlight and manage tax risks within Intrepid:

- proactively identifying and quantifying tax risks within the group;
- conducting self-audits together with key Intrepid business stakeholders;
- improving communication of tax risks between the Finance teams and key stakeholders including external auditors, Intrepid management and via the Audit & Risk Committee and the Intrepid Board of Directors;
- mitigating tax risks;

- minimising the risk of unintended tax risks developing for Intrepid; and
- providing supporting rigor and documentation in respect to the recognition of any tax provision in the financial records.

Material tax risks are reported to the Audit and Risk Committee to allow them to perform their oversight function and ensure tax risks are mitigated and managed consistent with the risk management framework.

3. Tax Reconciliations

3.1 Reconciliation of consolidated accounting profit to income tax expense

The adjacent reconciliation displays the income tax expense (ITE) for the combined Intrepid Group as per the financial statements for the year ended 31 December 2022. This is summarised further to show the ITE for the Australian consolidated tax group (the tax region where the group's ultimate parent resides) and other entities outside this group. This reconciliation represents ITE calculated in accordance with Australian accounting standards and does not represent Intrepid's liability to the Australian Tax Office or any other tax authority.

	2022 Australian Consolidated Group (AU\$'000)	2022 Other Intrepid Entities (AU\$'000)	2022 Combined Intrepid Group (AU\$'000)
Accounting profit / (loss) from continuing operations before tax [A]	(28,448)	2,711	(25,737)
Prima facie tax at the statutory income tax rate of 30%	(8,534)	813	(7,721)
Effect of different tax rates of subsidiaries operating in other jurisdictions		(448)	(448)
Adjustments in respect of current income tax of previous years	1,282	(142)	1,140
Non-recognition of carry forward tax losses and temporary differences in the current year	7,233	875	8,108
Derecognition of carry forward tax losses and temporary differences previously recognised		(979)	(979)
Non-deductible legal fees	169		169
Non-assessable employee share rights release	(331)		(331)
CFC attributable income	61		61
Non-deductible entertainment	59		59
Others	149	(45)	104
Income tax expense reported in consolidated statement of profit and loss [B]	87	74	161
Effective tax rate [B] / [A]	-0.31%	2.72%	-0.63%

The effective tax rate (ETR) for the year ended 31 December 2022 was -0.63% for the Intrepid Group and -0.31% for the Australian consolidated group.

This ETR reflects the significant losses made by the group during 2021 and 2022 due to the pandemic.

The ETR for the Australian consolidated group differs from the Australian statutory tax rate of 30% largely due to the non-recognition of deferred tax assets in the financial statements.



3.2 Reconciliation from income tax expense to income tax losses carried forward

The adjacent reconciliation commences with the ITE for the Australian consolidated tax group as per the financial statements for the year ended 31 December 2022 and then displays the adjustments made to arrive at the lodged tax loss position.

	2022
	Australian Consolidated Group
	(AU\$'000)
Income tax expense (as per [B] above)	87
Reverse: Adjustments in respect of current income tax of previous years	(1,282)
Reverse: Non-recognition of carry forward tax losses and temporary differences in the current year	(7,233)
Non-deductible legal fees	(63)
CFC attributable income	105
Temporary differences recognised in deferred tax	1,647
Non-assessable accounting profit shares	(226)
40-880 capital raising costs	(100)
Others	(132)
Sub-Total	(7,196)
Tax Loss per 2022 Tax Return	(23,988)
<i>(sub-total grossed-up at the statutory tax rate of 30%)</i>	





4. Other Taxes Paid In Australia

	2022 Australia (AU\$'000)
GST*	1,062
FBT**	13
Payroll Tax	869

*GST collected on sales for the year ended 31 December 2022.

**For the FBT year ended 31 March 2022.

Intrepid is also subject to other Australian taxes such as GST, FBT and Payroll Tax with the 2022 amounts displayed above.

**note: the GST collected on sales figure refers to the amount prior to the offset of any claimable input tax credits.*

Other Information

About Us: [About us](#)

Purpose: [Intrepid's Purpose & Mission](#)

Intrepid Annual Report: [Integrated Annual Report 2022](#)



