

# **G Adventures Limited**

**Annual report and group financial statements**

**for the year ended 31 July 2020**

**Registered number: 07848780**



## **G Adventures Limited**

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## **G Adventures Limited**

### **Officers and professional advisers**

#### **Directors**

B Poon Tip

B Young

#### **Registered office**

60 Bastwick Street

London

EC1V 3AT

#### **Auditor**

Deloitte LLP

Statutory Auditor

1 Woodborough Road

Nottingham

NG1 3FG

United Kingdom

#### **Banker**

HSBC Bank plc.

9 Wellesley Road

Croydon

Surrey

CR9 2AA

## G Adventures Limited

### Strategic Report

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to G Adventures Limited and its subsidiary undertakings when viewed as a whole.

#### Principal activities and review of the business

The Group is a disclosed agent of G Adventures Inc., a Barbados corporation. The Group's principal activity during the year was the sale of adventure tours to remote locations throughout Latin America, North America, Europe, Asia, Arctic, Africa and Antarctica.

During the year, on 11 March 2020, the World Health Organization characterised the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result of the global pandemic, current market conditions in the travel industry are currently not favourable. However, with the distribution of the COVID-19 vaccine which commenced in December 2020, the Directors are confident that market conditions will rebound to pre-pandemic levels and that trading prospects moving forward will become positive again.

The Group delivered a profit after tax for the year ended 31 July 2020 of **£1.26M** (2019: £0.5M).

The following table provides the current and historical figures for the principal operating Key Performance indicators (KPI's) employed by the Group. The decrease in turnover is because of a challenging economic climate and a decrease in overhead expenses due to rigid cash management strategy. EBITDA increase is due to receipt of COVID relief funding from April – July.

	2020	2019
	£	£
Turnover	11,781,636	14,508,664
EBITDA	861,784	1,194,356
Profit after tax for the year	1,264,322	545,451
Net Assets	7,573,193	6,308,871

EBITDA has been calculated as operating profit, adding back depreciation, amortisation and unrealised foreign exchange gains and losses.

Due to the global pandemic and the lack of travel throughout the second half of the fiscal year the balances above are significantly different from prior year:

#### Principal risks and uncertainties

The Executive Management team continually identify, evaluate and manage material risks faced by the Group which could adversely affect the Group's business. The list below details the principal risks identified and the action taken to mitigate these risks. This list is not intended to be exhaustive and other risks may emerge over time:

Area	Description of risk	Example of mitigating activities
<b>Economic</b>	<ul style="list-style-type: none"> <li>Revenue may be impacted by an economic downturn</li> </ul>	<ul style="list-style-type: none"> <li>G Adventures Limited invests in brand awareness and continuously evaluates customer feedback, market conditions and social economic demands to maximise brand loyalty</li> </ul>
<b>Regulation</b>	<ul style="list-style-type: none"> <li>G Adventures Limited must satisfy Civil Aviation Authority (CAA) and Association of British Travel Agents (ABTA) licensing conditions for the sale of airline seats</li> </ul>	<ul style="list-style-type: none"> <li>G Adventures Limited closely monitor regulatory developments across the travel industry through active membership.</li> <li>The group actively ensures regulations are adhered to through the tracking of key licensing parameters on a periodic basis throughout the course of the year and as part of the annual budget process</li> </ul>
<b>Operational</b>	<ul style="list-style-type: none"> <li>G Adventures Limited is dependent on information technology systems, the failure of which would impact its ability to process sales</li> </ul>	<ul style="list-style-type: none"> <li>Investment in technology ensures that system reliability is optimised and procedures are in place to minimise the time that any selling system is inoperable</li> </ul>
<b>Competition</b>	<ul style="list-style-type: none"> <li>G Adventures Limited operates in a highly competitive market in which our competitors continually launch new and similar products</li> </ul>	<ul style="list-style-type: none"> <li>Market research is undertaken to ensure our products continue to meet the needs of our customers</li> </ul>

## **G Adventures Limited**

### **Strategic Report (continued)**

#### **COVID-19 impact and considerations**

During the year, on 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The impact of COVID-19 has been pervasive across the Altun Group Ltd.'s global operations (the "Group"), ultimate parent entity, resulting in tours being cancelled, customer deposits being refunded and minimal customer bookings for future tours given the uncertainties associated with international and domestic travel which have adversely impacted the financial position of the Group, notwithstanding the various cost saving initiatives undertaken by the Group and various government programs that the subsidiaries, including the Company have been able to access.

Whilst the spread of the disease and the measures mandated by governments around the world are not within the Group's control, the Group has implemented a business continuity plan ("Plan") and workplace policy ("Policy") to manage the risks that COVID-19 may have on the Group's business and operations. The goal of this Plan and Policy is to minimise risks to The Group's financial position, operations and health and safety to its employees and the public. The Group is monitoring the impacts of this rapidly evolving pandemic daily and has a roadmap to adjust its Plan and Policy as necessary to manage these risks. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Group in future periods.

#### **Brexit considerations**

With the UK government formally triggering Article 50 of the Treaty on European Union of Lisbon on 29 March 2017, Brexit has become an active principal risk facing G Adventures Limited.

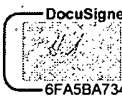
On 24 December 20 the UK and EU reached a Trade and Cooperation Agreement, which comes into force as of 1 January 2021. This is a welcome step in minimising the additional uncertainty that a no-deal outcome would have potentially caused. The agreement allows free trade movement, of zero-tariffs and quota's and more specifically for the Travel Industry, the aviation agreement allows the continuation of point to point passenger travel, and the exemption to visa requirement of a stay less than 90 days, all of which mean less disruption for the travel industry. Since the deal has been agreed and announced, Sterling has risen against major currencies, reflecting the removal of the uncertainty that a no-deal posed.

Further guidance is still to be published regarding the specifics of the deal, which will be monitored closely, and assess any impacts to the business model. G Adventures Limited will continue to be supported by G Adventures Inc with hedging strategies to mitigate currency fluctuations.

#### **Future developments**

The sales of the group come from direct customers or agents worldwide. The group will continue looking for opportunities in the market to grow and develop plans to attract more direct sales that are not commission driven.

Approved by the Board and signed on its behalf by:

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Lincoln Fernandes

Director

16 March, 2021

## **G Adventures Limited**

### **Directors' Report**

The Directors present their annual report on the affairs of G Adventures Limited, together with the audited financial statements and auditor's report, for the year ended 31 July 2020.

#### **Principal activity**

The Group's principal activity during the year was the sale of adventure tours to remote locations throughout Latin America, North America, Europe, Asia, Arctic, Africa and Antarctica.

#### **Future developments**

Details of future developments can be found in the Strategic report on pages 2 and 3 and form part of this report by cross-reference.

#### **Events after the balance sheet date**

There have been no significant events since the balance sheet date requiring disclosure under FRS 102. During the year, on 11 March 2020, the World Health Organization characterised the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The impact of COVID-19 has been pervasive across the Altun Group Ltd.'s global operations (the "Group"), ultimate parent entity, resulting in tours being cancelled, customer deposits being refunded and minimal customer bookings for future tours given the uncertainties associated with international and domestic travel.

#### **Financial risk management objectives and policies**

The Group uses financial instruments, other than derivatives, comprising intercompany borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group financial instruments are foreign exchange risk, interest rate risk, liquidity risk and credit risk.

#### **Interest rate risk**

The Group has short-term intercompany borrowings that incur interest based on the prime rate in Canada. The Parent Company uses interest rate swaps to reduce its exposure to interest rate risk.

#### **Liquidity risk**

Liquidity risk is managed by maintaining detailed cash flow forecasts to ensure the Group's ability to meet all short term and long term financial obligations.

#### **Credit risk**

The Group provides credit to some of its customers in the normal course of business. The Group trades only with reputable parties and extends credit only to those who represent an acceptable credit risk.

#### **Dividends**

No dividends were paid in the current year or prior year. The Directors do not recommend the payment of a dividend.

#### **Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above and in the Strategic Report.

The Group is regulated by the Civil Aviation Authority who grant the business an annual license to operate (an "ATOL" license) and is also a member of the Association of British Travel Agents Limited (ABTA).

The directors have considered the current and forecast prospects for the business and despite the uncertain economic environment: the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Impact of COVID-19 on the global group**

During the year, on 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The impact of COVID-19 has been pervasive across the Altun Group Ltd.'s global operations (the "Group"), ultimate parent entity, resulting in tours being cancelled, customer deposits being refunded and minimal customer bookings for future tours given the uncertainties associated with international and domestic travel which have

## G Adventures Limited

### Directors' Report (continued)

#### Going concern (continued)

##### *Impact of COVID-19 on the global group (continued)*

adversely impacted the financial position of the Group, notwithstanding the various cost saving initiatives undertaken by the Group and various government programs that the subsidiaries, including the group have been able to access.

Whilst the spread of the disease and the measures mandated by governments around the world are not within the Group's control, the Group has implemented a business continuity plan ("Plan") and workplace policy ("Policy") to manage the risks that COVID-19 may have on the Group's business and operations. The goal of this Plan and Policy is to minimise risks to The Group's financial position, operations and health and safety to its employees and the public. The Group is monitoring the impacts of this rapidly evolving pandemic daily and has a roadmap to adjust its Plan and Policy as necessary to manage these risks. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Group in future periods.

##### *Impact on the group and mitigating actions taken*

As it is uncertain how long governmental restrictions and social distancing measures will last, management continues to monitor developments closely so that swift action can be taken to update these policies and procedures in response to the changing situation, with a view to restarting operations as soon as it is safe and practicable to do so. Once the travel restrictions ease, it is also not certain how quickly operations will return to pre-pandemic levels. At the onset of the pandemic, management acted swiftly to safeguard the group financially by managing liquidity through a reduction of overhead costs including a 60% reduction in headcount through layoffs and employee furloughs, a reduction in operating expenses such as technology licenses, marketing, and the elimination of all other non-essential spend such as travel. Management continues to utilise the Government's Coronavirus Job Retention Scheme (or Furlough Scheme) for salaries as well as voluntary salary reductions to minimise costs and protect the business's ability to successfully restart operations and scale quickly when required. All group personnel commenced a mandatory work from home policy in line with Governmental direction to ensure the safety of all employees. Management has worked to negotiate lease and discounts or deferrals and continues to negotiate those. The group's Management has a strong cash management plan in place with weekly liquidity reviews and forecasts prepared. Following recent government announcements on 22 February 2021 the group is expecting to return to travel in June 2021; however, contingency plans are in place should that timeline be delayed.

##### *Support from the global group*

On 22 January 2021, the Group executed on the following two financings:

- Arrangements with existing lenders and new debt financing from a new lender to provide additional debt facilities of CAD \$10m (existing) and USD \$42m (new).
- An investment of USD \$50m through equity financing.

As at year-end, under the terms of its existing long-term debt agreement, the Group is required to maintain a minimum debt to EBITDA ratio of not greater than 3:1 and a fixed charge coverage ratio not less than 1.15:1 calculated based on the consolidated financial statements. Based on the 5 June 2020 amended agreement, the need to comply with these covenants was removed for the fiscal year ended 31 July 2020 and the Group continued to negotiate waivers on financial covenants for fiscal 2021. The updated covenant requirements were executed in the 22 January 2021 amendment. Depending on how quickly the Group is able to return to operations, there is a risk that these covenant requirements will be breached and waivers not obtained.

The group has received a letter of comfort from the Ultimate parent, in relation to the provision of financial support to assist in meeting the group's liabilities as and when they fall due, including timely settlement of intercompany amounts where necessary, and confirmation that this support will continue for a period of at least 12 months from the date of signing the financial report.

The group's ability to continue as a going concern is dependent on compliance with financial covenants at the Group level and continued support from the Group for a period of at least 12 months from the date of signing these financial statements. In the event that the Group does not provide required support as expected there is a material uncertainty associated with the group and company's ability to continue as going concern and therefore, it may be unable to realize its assets and extinguish its liabilities in the ordinary course of business. In addition, there are significant challenges involved in forecasting how trading and cash flows will recover. In combination, these factors lead to a material uncertainty that may cast significant doubt on the group and company's ability to continue as going concern.

## **G Adventures Limited**

### **Directors' Report (continued)**

#### **Going concern (continued)**

##### ***Support from the global group (continued)***

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures described above that it took or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of these assumptions.

#### **Directors**

The directors, who served throughout the year and to the date of signing, were as follows:

- B Poon Tip
- B Young

#### **Directors' indemnities**

The Company has not made any qualifying third party indemnity provisions for the benefit of its directors during the year (2019: £nil) and no such provisions (2019: £nil) remain in force at the date of this report.

#### **Political and charitable donations**

The Group made £nil political or charitable contributions during the year (2019: £nil).

#### **Auditor**


Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has been deemed re-appointed under section 487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

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Lincoln Fernandes

Director

16 March, 2021



## **G Adventures Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **G Adventures Limited**

### **Independent auditor's report to the members of G Adventures Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of G Adventures Limited (the 'parent company') and its subsidiaries (the 'group')

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "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.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 20.

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).

##### **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 Financial Reporting Council's ('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 related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the impact of COVID-19 has been pervasive across Altun Group Ltd.'s global operations (the "Group") and the group is dependent on continued support from the Group. There is uncertainty as to the ability of the Group to provide support as expected and uncertainty over forecasting how trading and cash flows will recover. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

##### **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 auditor's 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.

## **G Adventures Limited**

### **Independent auditor's report to the members of G Adventures Limited (Continued)**

#### **Other information (continued)**

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 respect of these matters.

#### **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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 auditor's report.

#### **Report on other legal and regulatory requirements**

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

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

## **G Adventures Limited**

### **Independent auditor's report to the members of G Adventures Limited (Continued)**

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

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.

Alistair Pritchard FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Nottingham, United Kingdom

16 March, 2021

## G Adventures Limited

### Consolidated Profit and Loss Account For the year ended 31 July 2020

		2020	201
	Note	£	
Turnover	3	11,781,636	14,508,66
Other Income	3	408,424	
Administrative expenses		(11,005,405)	(13,744,41
<b>Operating profit</b>		<b>1,184,655</b>	<b>764,24</b>
Interest Income		21,247	-
Interest Expense		(10,960)	-
<b>Profit before taxation</b>	4	<b>1,194,942</b>	<b>764,24</b>
Tax on profit	6	69,380	(218,79
<b>Profit for the financial year</b>		<b>1,264,322</b>	<b>545,45</b>

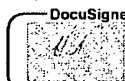
As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

**G Adventures Limited**

Tangible assets	8	210,154	282,003
Investments	9	-	-
		<u>210,154</u>	<u>282,003</u>
<b>Current assets</b>			
Debtors (£822,267 falling due after more than one year)	10	10,176,865	6,067,274
Cash at bank and in hand		<u>3,710,276</u>	<u>3,828,669</u>
		13,887,141	9,895,943
<b>Creditors: amounts falling due within one year</b>	11	<u>(6,485,962)</u>	<u>(3,828,568)</u>
<b>Net current assets</b>		<u>7,401,179</u>	<u>6,067,375</u>
<b>Total assets less current liabilities</b>		7,611,333	6,349,378
<b>Provisions for liabilities</b>	12	<u>(38,140)</u>	<u>(40,507)</u>
<b>Net assets</b>		<u>7,573,193</u>	<u>6,308,871</u>
<b>Capital and reserves</b>			
Called-up share capital	13	30,000	30,000
Share premium account	13	99	99
Profit and loss account	14	<u>7,543,094</u>	<u>6,278,772</u>
<b>Shareholders' funds</b>		<u>7,573,193</u>	<u>6,308,871</u>

The consolidated financial statements of G Adventures Limited (registered number 07848780) were approved by the board of directors and authorised for issue on 16 March 2021.

They were signed on its behalf by:

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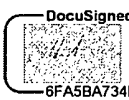
Lincoln Fernandes  
 Director

**G Adventures Limited****Company Balance Sheet  
For The Year Ended July 31 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	210,154	251,413
Investments	9	17,676	17,676
		<u>227,830</u>	<u>269,089</u>
<b>Current assets</b>			
Debtors ( <i>£796,000 falling due after more than one year</i> )	10	10,001,345	5,848,369
Cash at bank and in hand		1,361,038	1,293,067
		<u>11,362,383</u>	<u>7,141,436</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,383,800)</u>	<u>(1,014,671)</u>
<b>Net current assets</b>		<u>6,978,583</u>	<u>6,126,765</u>
<b>Total assets less current liabilities</b>		<u>7,206,413</u>	<u>6,395,854</u>
<b>Provisions for liabilities</b>	12	(38,140)	(40,507)
<b>Net assets</b>		<u>7,168,273</u>	<u>6,355,347</u>
<b>Capital and reserves</b>			
Called-up share capital	13	30,000	30,000
Share premium account	13	99	99
Profit and loss account	14	7,138,174	6,321,125
<b>Shareholders' funds</b>		<u>7,168,273</u>	<u>6,351,224</u>

The profit for the financial period dealt within the financial statements of the parent Company was £726,558 (2019: £491,117).

The financial statements of G Adventures Limited (registered number 07848780) were approved by the board of directors and authorised for issue on 16 March, 2021. They were signed on its behalf by:

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Lincoln Fernandes  
Director

## G Adventures Limited

### Consolidated and Company Statement of Changes in Equity For the year ended 31 July 2020

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
<b>Group</b>				
At 1 August 2018	30,000	99	5,733,321	5,763,420
Profit for the financial year	-	-	545,451	545,451
<b>Total Comprehensive Income for the financial year</b>	-	-	545,451	545,451
<b>At 31 July 2019</b>	<b>30,000</b>	<b>99</b>	<b>6,278,772</b>	<b>6,308,871</b>
At 1 August 2019	30,000	99	6,278,772	6,308,871
Profit for the financial year	-	-	1,264,322	1,264,322
<b>Total Comprehensive Income for the period</b>	-	-	1,264,322	1,264,322
<b>At 31 July 2020</b>	<b>30,000</b>	<b>99</b>	<b>7,543,094</b>	<b>7,573,193</b>
	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
<b>Company</b>				
At 1 August 2018	30,000	99	5,830,008	5,860,107
Profit for the financial year	-	-	491,117	491,117
<b>Total Comprehensive Income for the financial year</b>	-	-	491,117	491,117
<b>At 31 July 2019</b>	<b>30,000</b>	<b>99</b>	<b>6,321,125</b>	<b>6,351,224</b>
At 1 August 2019	30,000	99	6,321,125	6,351,224
Profit for the financial year	-	-	817,049	817,049
<b>Total Comprehensive Income for the financial year</b>	-	-	817,049	817,049
<b>At 31 July 2020</b>	<b>30,000</b>	<b>99</b>	<b>7,138,174</b>	<b>7,168,273</b>



## G Adventures Limited

### Consolidated Cash Flow Statement For the year ended 31 July 2020

	Note	2020 £	2019 £
<b>Net Cash flows (used in)/ generated from operating activities</b>	15	(62,260)	2,198,925
<b>Cash flows used in investing activities</b>			
Purchase of equipment		(40,166)	(52,574)
Interest received		21,247	-
<b>Net Cash flows used in investing activities</b>		<u>(18,919)</u>	<u>(52,574)</u>
<b>Cash flows used in financing activities</b>			
Notes receivable		(485,000)	(200,000)
Disposal of equipment		26,026	-
Interest Paid		(10,960)	-
<b>Net Cash flows used in investing activities</b>		<u>(469,934)</u>	<u>(200,000)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(551,113)</u>	<u>1,946,351</u>
<b>Cash and cash equivalents at beginning of period</b>		3,828,669	1,547,172
Effect of foreign exchange rate changes		432,720	335,146
<b>Cash and cash equivalents at end of period</b>		<u>3,710,276</u>	<u>3,828,669</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		3,710,276	3,828,669
Cash equivalents		-	-
<b>Cash and cash equivalents</b>		<u>3,710,276</u>	<u>3,828,669</u>

## **G Adventures Limited**

### **Notes to the financial statements** **For the year ended 31 July 2020**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **a. General information and basis of accounting**

G Adventures Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The principal activities of the company are disclosed on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of G Adventures Limited is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The Consolidated financial statements are also presented in Pounds Sterling.

G Adventures Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

##### **b. Going concern**

##### **Impact of COVID-19 on the global group**

During the year, on 11 March 2020, the World Health Organisation characterised the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The impact of COVID-19 has been pervasive across the Altun Group Ltd.'s global operations (the "Group"), ultimate parent entity, resulting in tours being cancelled, customer deposits being refunded and minimal customer bookings for future tours given the uncertainties associated with international and domestic travel which have adversely impacted the financial position of the Group, notwithstanding the various cost saving initiatives undertaken by the Group and various government programs that the subsidiaries, including the group have been able to access.

Whilst the spread of the disease and the measures mandated by governments around the world are not within the Group's control, the Group has implemented a business continuity plan ("Plan") and workplace policy ("Policy") to manage the risks that COVID-19 may have on the Group's business and operations. The goal of this Plan and Policy is to minimise risks to The Group's financial position, operations and health and safety to its employees and the public. The Group is monitoring the impacts of this rapidly evolving pandemic daily and has a roadmap to adjust its Plan and Policy as necessary to manage these risks. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Group in future periods.

##### **Impact on the group and mitigating actions taken**

As it is uncertain how long governmental restrictions and social distancing measures will last, management continues to monitor developments closely so that swift action can be taken to update these policies and procedures in response to the changing situation, with a view to restarting operations as soon as it is safe and practicable to do so. Once the travel restrictions ease, it is also not certain how quickly operations will return to pre-pandemic levels. At the onset of the pandemic, management acted swiftly to safeguard the group financially by managing liquidity through a reduction of overhead costs including a 60% reduction in headcount through layoffs and employee furloughs, a reduction in operating expenses such as technology licenses, marketing, and the elimination of all other non-essential spend such as travel. Management continues to utilise the Government's Coronavirus Job Retention Scheme (or Furlough Scheme) for salaries as well as voluntary salary reductions to minimise costs and protect the business's ability to successfully restart operations and scale quickly when required. All group personnel commenced a mandatory work from home policy in line with Governmental direction to ensure the safety of all employees. Management has worked to negotiate lease and discounts or deferrals and continues to negotiate those. The group's Management has a strong cash management plan in place with weekly liquidity reviews and forecasts prepared. Following recent government announcements on 22 February 2021 the group is expecting to return to travel in June 2021; however, contingency plans are in place should that timeline be delayed.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 1. Accounting policies (continued)

##### b. Going concern (continued)

##### *Support from the global group*

On 22 January 2021, the Group executed on the following two financings:

- Arrangements with existing lenders and new debt financing from a new lender to provide additional debt facilities of CAD \$10m (existing) and USD \$42m (new).
- An investment of USD \$50m through equity financing.

As at year-end, under the terms of its existing long-term debt agreement, the Group is required to maintain a minimum debt to EBITDA ratio of not greater than 3:1 and a fixed charge coverage ratio not less than 1.15:1 calculated based on the consolidated financial statements. Based on the 5 June 2020 amended agreement, the need to comply with these covenants was removed for the fiscal year ended 31 July 2020 and the Group continued to negotiate waivers on financial covenants for fiscal 2021. The updated covenant requirements were executed in the 22 January 2021 amendment. Depending on how quickly the Group is able to return to operations, there is a risk that these covenant requirements will be breached and waivers not obtained.

The group has received a letter of comfort from the Ultimate parent, in relation to the provision of financial support to assist in meeting the group's liabilities as and when they fall due, including timely settlement of intercompany amounts where necessary, and confirmation that this support will continue for a period of at least 12 months from the date of signing the financial report.

The group's ability to continue as a going concern is dependent on compliance with financial covenants at the Group level and continued support from the Group for a period of at least 12 months from the date of signing these financial statements. In the event that the Group does not provide required support as expected there is a material uncertainty associated with the group and company's ability to continue as going concern and therefore, it may be unable to realize its assets and extinguish its liabilities in the ordinary course of business. In addition, there are significant challenges involved in forecasting how trading and cash flows will recover. In combination, these factors lead to a material uncertainty that may cast significant doubt on the group and company's ability to continue as going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures described above that it took or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of these assumptions.

##### c. Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 July. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

##### d. Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life, as follows:

Computer equipment	Reducing balance	30%
Telephone equipment	Reducing balance	30%
Furniture & equipment	Reducing balance	20%
Leasehold improvements	Reducing balance	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Any gain or loss on disposal of an item of tangible fixed assets (calculated as the difference between net proceeds from the disposal and the carrying amount of the item) is recognised in profit and loss.

##### e. Fixed asset investments

Investments in subsidiaries are measured at cost less impairment.

##### f. Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment an impairment loss is recognised in profit or loss.

# G Adventures Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2020

### 1. Accounting policies (continued)

#### g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### h. Turnover

The turnover of the Company is received from G Adventures Inc., a Barbados corporation and G Touring Limited. They are related parties of the Company under common control, in line with the agreements in place with G Adventures Inc. The turnover represents costs recharged at a fixed percentage mark-up, costs recharged without mark-up, and commission received at a fixed rate for the provision of services to G Adventures Inc. The turnover is further impacted by an agreement started in fiscal year 2018 with G Touring Limited (a related party under common control). Since the acquisition of G Touring Limited by the wider group, G Adventures Limited has acted as a transport company under the TOMs Scheme by supplying flights services to G Touring Limited.

#### i. Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised over the period in which the related costs are recognised.

#### j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

#### k. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 1. Accounting policies (continued)

##### k. Financial Instruments (continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled b) the Group transfers to another party substantially all the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled, or expires.

##### l. Leases

###### *The Company as lessee*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### m. Share capital

Ordinary shares are classified as equity.

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The Directors have not identified any key sources of estimation uncertainty.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Revenue recognition*

The support agreement with G Adventures Inc. results in the Company receiving a fixed percentage mark-up for the provision of support services. The consulting agreement with G Adventures Inc. results in the Company receiving compensation for the provision of consultancy services at cost.

The commission agreement with G Adventures Inc. results in the Company receiving a fixed commission on the net revenue earned from sales to customers, and is recognised from the date of customer departure. A key judgement in recognising commission revenue is to distinguish whether the Company acts in the capacity of principal or agent so to determine the accounting as either gross or net respectively, in line with FRS 102 Section 23 Revenue. The Company exercises judgement to assess principal or agency by considering if it is the prime obligor in all the revenue arrangements, has pricing discretion and is exposed to credit risk, in which case the Company will be principal to the arrangement.

A key judgement in recognising revenue under all these agreements is to assess transfer pricing legislation and OECD Transfer Pricing Guidelines to determine the transactions are conducted using arm's length principles.

## G Adventures Limited

### Notes to the financial statements (continued) For the year ended 31 July 2020

#### 3. Turnover

An analysis of the Group's revenue is as follows:

	2020	2019
	£	£
Commissionaire revenue	3,731,000	4,456,080
Management revenue	6,543,539	7,402,297
Interest Revenue		2,547
TOMs recharge revenue	1,507,097	2,647,740
Total turnover	<u>11,781,636</u>	<u>14,508,664</u>

#### TOMs recharge revenue

TOMs recharge revenue relates to income from management recharges charged to other Group companies:

Geographical analysis:	2020	2019
	£	£
United Kingdom	2,873,215	4,224,110
Europe (from Commissionaire report)	2,364,882	2,882,257
Rest of World (management revenue)	6,543,539	7,402,297
	<u>11,781,636</u>	<u>14,508,664</u>

An analysis of other income includes:

	2020	2019
	£	£
Government Grants	408,424	-
	<u>408,424</u>	<u>-</u>

Grants represent amounts received in respect of Coronavirus Job Retention Scheme which supports employers whose operations were affected by the COVID-19 pandemic. The Group has not directly benefited from any other forms of government assistance.

## G Adventures Limited

### Notes to the financial statements (continued) For the year ended 31 July 2020

#### 4. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2020 £	2019 £
Depreciation (note 8)	92,215	75,144
Operating lease rentals	439,273	428,960
Directors' remuneration	160,162	187,966
Profit on sale of fixed assets	6,226	-
Realised exchange loss	153,071	387,443
Unrealised exchange gain	(432,720)	(335,146)
	<u>418,228</u>	<u>744,367</u>

No directors had defined benefit pension scheme, money purchase pension scheme, share options or loss of office payments during either the current or prior year. There were no sums paid to third parties in respect of directors' services during either the current or prior year.

The analysis of auditor's remuneration is follows:

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	65,329	56,650
Fees payable to the Company's auditor and its associates for other services to the group		
The audit of the company's subsidiaries	23,333	17,850
<b>Total audit fees</b>	<u>88,662</u>	<u>74,500</u>
	2020 £	2019 £
Other taxation advisory services	4,000	15,850
Other assurance services	11,738	11,330
<b>Total non-audit fees</b>	<u>15,738</u>	<u>27,180</u>

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 5. Staff numbers and costs

##### Directors' Remuneration

Directors' emoluments amounted to £160,162 (2019: £187,966) including money purchase pension scheme contributions of £1,295 (2019: £2,470). Emoluments for one director (2019: two directors) were paid by another Group company and is not practical to split these costs out.

##### Group

The average monthly number of employees (including executive directors) during the year was as follows:

Their aggregate remuneration comprised:

	2020 Number	2019 Number
Sales, Marketing and Administration	106	94

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,571,280	3,565,313
Social security costs	490,463	445,974
Pension costs	83,340	41,704
	<u>4,145,083</u>	<u>4,052,991</u>

##### Company

The average monthly number of employees (including executive directors) during the year was as follows:

	2020 Number	2019 Number
Sales, Marketing and Administration	82	70

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,760,213	2,899,111
Social security costs	270,797	259,704
Pension costs	83,340	41,704
	<u>3,114,350</u>	<u>3,200,519</u>



## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 6. Tax on profit

	2020	2019
	£	£
<b>Current tax:</b>		
UK corporation tax on profits for the period	-	53,838
Adjustment in respect of previous periods	(71,245)	156,462
Foreign tax suffered	4,232	12,831
Total current tax	<u>(67,013)</u>	<u>223,131</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(7,133)	(4,846)
Adjustment in respect of previous periods	-	510
Tax rate changes	4,766	-
Total deferred tax	<u>(2,367)</u>	<u>(4,336)</u>
Total tax per profit and loss account	<u>(69,380)</u>	<u>218,795</u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020	2019
	£	£
Profit for the period - continuing operations	<u>1,194,942</u>	<u>764,246</u>
Tax on profit at standard UK tax rate of 19% (2019: 19.00%)	227,039	145,207
Effects of:		
Expenses not deductible	13,466	38,239
Effects of group relief/other reliefs	(157,888)	(122,533)
Tax rate changes	4,766	-
Impact of different tax rates	(85,518)	19,014
Adjustment in respect previous periods	(71,245)	156,972
Unrecognised deferred tax on losses	-	(18,104)
Tax (credit)/charge for the period	<u>(69,380)</u>	<u>218,795</u>

#### Factors that may affect the future tax charge

A change to the main UK corporation tax rate, announced in the Budget on 3 March 2021, will be substantively enacted for FRS 102 purposes through the Finance Bill 2021. The rate applicable from 1 April 2020 remains at 19%. A rate of 25% will apply from 1 April 2022 for profits above £250,000; a small profits rate of 19% will apply for profits below £50,000. Marginal relief provisions will apply between these lower and upper limits.

#### 7. Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 8. Tangible fixed assets

Group	Leasehold improvements £	Furniture & equipment £	Computer equipment £	Telephone equipment £	Total £
<b>Cost</b>					
At 1 August 2019	301,123	119,752	202,068	25,583	648,526
Additions	-	15,434	24,732	-	40,166
Disposals	-	(15,825)	(27,314)	-	(43,139)
At 31 July 2020	<u>301,123</u>	<u>119,361</u>	<u>199,486</u>	<u>25,583</u>	<u>645,553</u>
<b>Depreciation</b>					
At 1 August 2019	181,381	58,848	106,495	19,799	366,523
Charge for the year	29,936	15,226	44,574	2,479	92,215
Disposals	-	(3,859)	(19,480)	-	(23,339)
At 31 July 2020	<u>211,317</u>	<u>70,215</u>	<u>131,589</u>	<u>22,278</u>	<u>435,399</u>
<b>Net book value</b>					
At 31 July 2020	<u>89,806</u>	<u>49,146</u>	<u>67,897</u>	<u>3,305</u>	<u>210,154</u>
At 31 July 2019	<u>119,742</u>	<u>60,904</u>	<u>95,573</u>	<u>5,784</u>	<u>282,003</u>
<b>Company</b>					
	improvements £	equipment £	equipment £	equipment £	Total £
<b>Cost</b>					
At 1 August 2019	301,123	103,927	174,754	25,583	605,387
Additions	-	15,434	24,731	-	40,165
At 31 July 2020	<u>301,123</u>	<u>119,361</u>	<u>199,485</u>	<u>25,583</u>	<u>645,552</u>
<b>Depreciation</b>					
At 1 August 2019	181,381	57,996	94,798	19,799	353,974
Charge for the year	29,936	12,219	36,789	2,479	81,423
At 31 July 2020	<u>211,317</u>	<u>70,215</u>	<u>131,588</u>	<u>22,278</u>	<u>435,398</u>
<b>Net book value</b>					
At 31 July 2020	<u>89,806</u>	<u>49,146</u>	<u>67,897</u>	<u>3,305</u>	<u>210,154</u>
At 31 July 2019	<u>119,742</u>	<u>45,931</u>	<u>79,956</u>	<u>5,784</u>	<u>251,413</u>

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 9. Fixed asset investments

##### Group and Company

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Subsidiary undertaking	-	-	17,676	17,676

The Company has investments in the following subsidiary undertakings:

	Address	Principal activity	Holding %
G Adventures GmbH	Grünberger Straße 44A, 10245 Berlin, Germany	Marketing and promoting travel holiday business	100

On 18 May 2015, the Company acquired 100 per cent of the issued share capital of G Adventures GmbH, a company incorporated in Germany, registered at Torstrasse 156, 1115 Berlin, Germany, whose primary activity is marketing and promoting travel holiday business for consideration comprising the issue of 1 ordinary share for EUR 25,000. The fair value of the total consideration was EUR 25,000 translated into £17,676. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

There was no impairment recognised during either current or prior year.

#### 10. Debtors

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
<i>Amounts falling due within one year:</i>				
Prepayments and other debtors	261,897	555,830	133,662	479,245
VAT	62,503	231,151	34,436	172,041
Corporation tax	385,905	341,578	392,955	304,832
Amount owed by parent company	-	-	-	-
Amount owed by fellow undertakings	8,644,293	4,575,556	8,644,292	4,581,251
	<u>9,354,598</u>	<u>5,704,115</u>	<u>9,205,345</u>	<u>5,537,369</u>
<i>Amounts falling due after more than one year:</i>				
Prepayments	137,267	163,159	111,000	111,000
Notes Receivable	685,000	200,000	685,000	200,000
Total debtors	<u>10,176,865</u>	<u>6,067,274</u>	<u>10,001,345</u>	<u>5,848,369</u>

The amounts owed by Group undertakings are classified as Debtors: Amounts falling due within one year in both years. Related party balances are classified as current assets in both 2019 and 2020.

The Company loaned its subsidiary £485,000 in 2020. This amount is repayable on or after 14 February 2021. This loan attracts interest at the Prime Rate Margin plus 2%.

The amounts owed by Group undertakings are unsecured non-interest bearing and repayable on demand.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 11. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade and other creditors	399,174	418,087	359,408	244,706
Taxation and social security	9,339	-	9,339	-
Accruals	936,082	1,018,102	708,967	769,965
Amount owed to parent company	-	14	-	-
Amount owned to group undertakings	<u>5,141,367</u>	<u>2,392,365</u>	<u>3,306,086</u>	<u>-</u>
	<u>6,485,962</u>	<u>3,828,568</u>	<u>4,383,800</u>	<u>1,014,671</u>

The amounts owed to Group undertakings to G Adventures Inc. (Barbados) are classified as Creditors amounts falling due within one year in both years.

The amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand.

#### 12. Provisions for liabilities

	2020 £	2019 £
At 1 August 2019	40,507	44,843
Adjustment in respect of prior years	-	510
Credited to profit and loss account	<u>(2,367)</u>	<u>(4,846)</u>
At 31 July 2020	<u>38,140</u>	<u>40,507</u>

Deferred tax is provided as follows:

	2020 £	2019 £
Fixed asset timing differences	38,140	40,507
Short term timing differences - trading	-	-
Provision for deferred tax	<u>38,140</u>	<u>40,507</u>

The deferred tax liability of £38,140 (2019: £40,507) is due after more than one year.

#### 13. Called-up share capital

	Nominal Value	2020 £	2019 £
Number allotted, called-up and fully paid			
30,000 ordinary shares	£1	30,000	30,000
Share premium account		99	99
		<u>30,099</u>	<u>30,099</u>

The Company has one class of ordinary shares which carry no right to fixed income. The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 14. Reserves

Profit and loss account

The profit and loss account records the amount of accumulated profit or loss of the Company and Group.

#### 15. Cash flow statement

	2020	2019
	£	£
Reconciliation of operating profit to cash (used in)/generated by operations:		
Operating profit	1,184,655	764,246
Adjustment for:		
Depreciation and amortisation	92,215	75,144
Taxes received/(paid)	14,093	(523,810)
Unrealised foreign exchange gain	(432,720)	(335,146)
Operating cash flow before movement in working capital	858,243	(19,566)
(Increase)/decrease in debtors	(3,580,264)	173,093
Increase in creditors	2,657,394	2,049,734
Decrease in provisions	2,367	(4,336)
Cash generated from/(used in) operations	(62,260)	2,198,925

#### 16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
-within one year	250,294	185,000
-between one and five years	1,171,667	1,418,333
-after five years	-	-
	1,421,961	1,603,333

The Company leased office space under an operating lease, which commenced on 19 September 2014 and has an initial term of five years, with an option to renew the lease after that date. The lease has been renewed beginning 19 September 2019.

#### 17. Guarantees and off balance-sheet arrangements

The Company has provided bonds totalling £3,000,000 (2019: £5,520,000) in respect of its ATOL licences.

On 15 July 2015, the Company has provided a guarantee, along with other foreign related companies, for credit facilities held by two Canadian companies controlled by the common shareholder. The maximum amount of any potential future payments cannot be reasonably estimated. The nature of the collective guarantee agreed to by the Company in conjunction with related foreign companies prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage. The Company has not made any payments under such or similar guarantees and therefore no amount is required to be accrued in the balance sheet with

## **G Adventures Limited**

respect to this guarantee.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 17. Guarantees and off balance-sheet arrangements (continued)

Additionally, on 15 July 2015, the Company registered a charge over its leasehold in the 60 Bastwick Street office with National Bank of Canada as the Security Agent. The debenture contains both fixed and floating charges, along with negative pledge.

#### 18. Related party transactions

The following transactions were in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the related parties:

	2020	2019
	£	£
G Adventures Inc. (a Barbados corporation) (management revenue)	6,543,539	7,402,297
G Adventures Inc. (a Barbados corporation) (commission revenue)	3,731,001	4,456,080
G Touring Limited (a UK corporation) (management recharge income)	1,507,097	2,647,740
G Touring Limited (a UK corporation) (management recharge expense)	(1,507,097)	(2,647,740)
	<u>10,274,540</u>	<u>11,858,377</u>

At the year end, the following related party amounts were outstanding and included within debtors (see note 10):

	2020	2019
	£	£
G Adventures Inc. (a US corporation)	-	-
G Adventures Holding Ltd	-	-
TruTravels Limited	124,478	40,436
G Touring Limited (a UK corporation)	8,519,815	2,460,839
G Adventures Inc (a Canadian corporation)	-	2,074,281
	<u>8,644,293</u>	<u>4,575,556</u>

At the year end, the following related party amounts were outstanding and included within creditors (see note 11):

G Adventures Inc. (a Barbados corporation)	4,086,284	2,392,365
G Adventures Inc. (a Canadian corporation)	1,055,083	-
Altun Group Limited	-	14
	<u>5,141,367</u>	<u>2,392,379</u>

The receivables and payables are all unsecured, non-interest bearing and repayable on demand. G Adventures Inc. (a Barbados corporation), G Adventures Pty Limited (an Australian corporation), G Adventures Inc (a Canadian corporation), and the Expedition Shipping Company Limited (a Barbados corporation) are 100% owned by Altun Group Limited, the Company's ultimate parent company. G Touring Limited (a UK Corporation) is 100% owned by Altun Group Limited, the Company's ultimate parent company. G Adventures GmbH (a Germany corporation) is 100% owned by G Adventures Limited who is owned by Altun Group Limited, the company's ultimate parent company. All these entities are under common control of Mr. Bruce Poon Tip, who is also a Director of the Company. See note 20.

See note 5 for disclosure of the directors' remuneration.

## G Adventures Limited

### Notes to the financial statements (continued)

For the year ended 31 July 2020

#### 19. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial Assets</b>				
Measured at undiscounted amount receivable				
Trade and other debtors ( <i>Note 10</i> )	9,329,293	4,975,556	9,329,292	4,981,251
	<u>9,329,293</u>	<u>4,975,556</u>	<u>9,329,292</u>	<u>4,981,251</u>
<b>Financial Liabilities</b>				
Measured at undiscounted amount payable				
Trade and other creditors	6,485,962	3,828,568	4,383,800	1,018,794
	<u>6,485,962</u>	<u>3,828,568</u>	<u>4,383,800</u>	<u>1,018,794</u>

#### 20. Ultimate controlling party

Both the immediate and ultimate parent company is Altun Group Limited, which is a holding company incorporated in Canada. Altun Group Limited heads the largest and smallest Group of which the Company is a member. There are no consolidated financial statements prepared.

The financial statements of Altun Group Limited may be obtained from its registered address, 19 Charlotte Street, Toronto, Ontario, M5V 2H5, Canada.

The ultimate controlling party is Mr. Bruce Poon Tip, who is also a Director of the Company.