

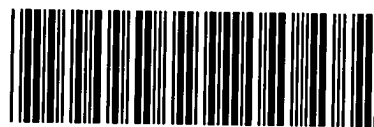
G Adventures Limited

Annual report and group financial statements

for the year ended 31 July 2023

Registered number: 07848780

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G Adventures Limited

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G Adventures Limited

Officers and professional advisers

Directors

B Poon Tip
L Fernandes

Registered office

60 Bastwick Street
London
EC1V 3AT

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
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 ("the Company") 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.

The Group delivered a turnover of £10.8m (2022: £7.3m). The Group receives commission from G Adventures Inc. on all tours booked by UK customers, therefore this £3.5m increase relates to the increased commissionaire fees as a result of increased demand for travel in the year. Customer confidence has continued to recover and grow, and market research shows that travel is still viewed as priority, therefore the Group remains focused on steady, and profitable growth.

The profit after tax for the year ended 31 July 2023 was £3.8m (2022: £978k loss). The profit after tax has increased by £4.9m, largely due to the increased management and commissionaire fees in the year as described above. Administrative expenses for the year decreased by £2.0m to £6.7m (2022: £8.7m), as a result of foreign exchange movements. When excluding foreign exchange gains and losses, the FY23 administrative expenses have increased from £6.9m in FY22 to £9.5m in FY23 as a result of increased staff, marketing and operations. FY22 saw a large foreign exchange loss of £1.8m, compared to a large foreign exchange gain in FY23 of £2.7m as a result of the fluctuating exchange rates.

At the year end, the Group has net current assets of £10.0m (2022: £6.2m) and net assets of £10.1m (2022: £6.3m). The Group's net current asset position has increased due to a £4.8m decrease in creditors due to the commission fees offsetting amounts owed to G Adventures Inc, a fellow subsidiary of Altun Group.

As the demand for travel has increased, the Group has significantly increased its average headcount in the year to 82 employees in FY23, up from 49 in FY22. The majority of this increase relates to sales and marketing to help drive the increased demand in tours. The significant increase in marketing and sales staff in the year has also contributed towards the increase in commission fees due to being able to run more marketing campaigns and reducing the customer wait times to speak to a Group representative.

Section 172 (1) Statement

Under Section 172 of the Companies Act 2006 ('S172'), the Directors of the Company and the Group must act in a way they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of its members, and in doing so have regards (amongst other matters) to:

- (a) the likely consequences of any decision in the long term
- (b) the interests of the Company and the Group's employees
- (c) the need to foster the Company's and the Group's business relationships with suppliers, customers and others,
- (d) the impact of the Company's and the Group's operations on the community and the environment,
- (e) the desirability of the Company and the Group's maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as possible between members of the Company and the Group.

G Adventures Limited

Strategic report (continued)

The Directors Approach

In performing their duties under section 172, the Directors of the Company have had regard to the matters set out in section 172(1) as follows:

The Directors understand the business and the evolving economic operating environment, including the challenges faced by the cost-of-living crisis and the increasing inflation rates. The Directors use the best information available to analyse current passenger trends and evolving travel restrictions to forecast viable operations. The Directors recognise that the long-term success of the business is dependent upon positive stakeholder groups interaction (i.e.: customers, suppliers, personnel) as well as market recovery. The Directors and the Executive Team review key risk factors faced by the Company and practice a collaborative hands-on approach regards day-to-day decision making. Performance is measured through an operating framework and supported by regular meetings and performance reviews at both Group executive management and Parent Company level.

Professional services providing support and guidance on all legal matters are also available to the Directors should they need further guidance. The Directors consider all relevant factors available to them, and how best to deliver the strategy through the short term to long term. During this process, the impact on all stakeholders is considered.

The Directors continue to strive to make the Company and the Group a great place to work for all colleagues. The Directors recognise that employees are integral to business success and are therefore committed to the attraction and retention of employees. The Group acts as a responsible employer and strives to be recognised as an “Employer of Choice” by employees. During the fiscal year, the Group was recognised as the 7th best workplace at the Best Workplaces in Travel 2023 awards. The Directors consider the implications of decisions upon the employees.

The Directors are committed to developing mutually beneficial relationships with suppliers, customers, and others. Decision making is appropriately informed by S172 factors and consideration is made in conjunction with the likely consequences of any decision in the long term.

The Directors want to ensure that a difference is being made in the community and are committed to supporting local events and charity initiatives as appropriate. The Group has formed a partnership with the Planeterra Foundation, which is committed to uplifting communities through tourism. The Directors consider the impact of decisions taken, upon the community and environment where possible.

The Directors are committed to ensuring compliance with relevant standards, including the entry requirements of countries in which the Group operates, and actively monitors any developments to legislation. The Directors are committed to the highest standards of business conduct, and to acting ethically during business activities, to ensure that the business is best reflected to all stakeholders, thus safeguarding the reputation of the business. In doing this, the Directors consider the best course of action, and to act as fairly as possible between the members of the Group.

Key Performance Indicators

The following table provides the current and historical figures for the principal operating Key Performance indicators (“KPI’s”) employed by the Group..

	2023	2022
	£	£
Turnover	10,784,520	7,347,669
Adjusted EBITDA	1,373,413	442,907
Profit/ (loss) after tax for the year	3,781,712	(978,078)
Net Assets	10,087,205	6,305,493

Turnover has increased by £3.5m as a result of market recovery. There has been higher demand for tours in this financial period compared to FY22, due to running a full programme of tours in FY23. The Group receives commission from G Adventures Inc. on all tours booked by UK customers. The significant increase in marketing and sales staff in the year has also contributed towards the increase in commission fees due to being able to run more marketing campaigns and reducing the customer wait times to speak to a Group representative.

G Adventures Limited

Strategic report (continued)

Key Performance Indicators (continued)

Adjusted EBITDA has been calculated as an operating profit figure of £4,044,113, adding back depreciation and amortisation of £36,359, deducting unrealised foreign exchange gains of £2,722,122 and adding back losses on disposal of fixed assets of £15,063.

The £0.9m increase in Adjusted EBITDA is due to the £3.5m increase in turnover as described above, offset by an increase in administrative expenses of £2.6m. The increase in administrative expenses is a result of increased staff and operations.

The £3.8m increase in net assets is due to a £4.8m decrease in creditors due to the commission fees offsetting amounts owed to G Adventures Inc, a fellow subsidiary of Altun Group, offset by small decreases in debtors and cash.

Principal risks and uncertainties

The Directors 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
Economic	<ul style="list-style-type: none"> Currently the UK economy is facing uncertainty, with inflationary increases and a cost-of-living crisis. Inflation sat at 6.8% at July 2023 and pressures have seen increases to commodity prices, which affects both the cost of supply, as well as affecting the disposable income per household. Revenue and associated costs may be impacted due to an economic downturn and reduction to demand. 	<ul style="list-style-type: none"> G Adventures Limited invests in brand awareness and continuously evaluates customer feedback, market conditions and social economic demands to maximise brand loyalty. The Group is investing in customer focus groups and surveys, to assess the impact of the inflationary pressures on household incomes, to determine if this will impact customer spending trends and therefore pricing of the product ranges on offer. The Group is monitoring the UK political situation closely. The UK economy looks likely to avoid a recession and inflation is falling, however growth remains weak.
Geopolitics	<ul style="list-style-type: none"> G Adventures Limited is at risk of geo-political events or natural disasters affecting our business. Events of terrorism and war, such as the wars between Russia and Ukraine, or Israel and Hamas, can have a significant impact upon customer behaviour and may unexpectedly disrupt the travel industry. 	<ul style="list-style-type: none"> G Adventures Limited plans its itineraries with care and offers a broad geographic spread of destinations within its products. In the event of a major event, G Adventures Limited endeavours to respond quickly to the issue and minimise its ongoing exposure.

G Adventures Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Regulation	<ul style="list-style-type: none"> G Adventures Limited must satisfy Civil Aviation Authority (CAA) and Association of British Travel Agents (ABTA) licensing conditions in order to continue granting the business' Air Travel Organisers' Licence (ATOL) enabling the business to sell ATOL protected package holidays. Failure to fulfil CAA and ABTA licensing conditions could result in substantial fines and reputational damage and, in the very worst case, an inability to trade due to loss of licence. G Adventures Limited closely monitors regulatory developments across the travel industry through its active membership of industry bodies and significant contacts and experience in the travel industry. G Adventures Limited manages cash levels carefully in order to meet any unexpected operational expenditure that may arise. G Adventures Limited continually reviews the operating assets to plan any replacements and the timing of replacement. G Adventures Limited adheres to all safety regulations imposed upon it and liaises closely with its regulators and industry groups to ensure it is abreast of all matters. G Adventures Limited 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
Operational	<ul style="list-style-type: none"> G Adventures Limited is dependent on information technology systems, the failure of which would impact its ability to process sales. The Group outsources a significant element of its operations (namely hotel services) to third parties. The Group could be impacted by cyber security breaches which could result in customer data breaches, fraud, or general disruption to the Group. Cyber security breaches could also affect outsourced hoteliers and transport companies which could create both financial and operational disruption for the Group. Investment in technology ensures that system reliability is optimised, and procedures are in place to minimise the time that any selling system is inoperable. The Management team meet regularly with the Group's key suppliers in order to maintain good working relationships. The Group has cyber security policies and software in place to mitigate the risk of potential cyber security breaches.
Competition	<ul style="list-style-type: none"> G Adventures Limited operates in a highly competitive market in which our competitors continually launch new and similar products. This could lead to loss of revenue and market share. Market research is undertaken to ensure our products continue to meet the needs of our customers.

G Adventures Limited


Strategic report (continued)

Principal risks and uncertainties (continued)

- | | |
|-----------------------|--|
| Climate change | <ul style="list-style-type: none">• Climate related emergencies are impacting countries worldwide, through extreme weather events like heatwaves, fires, floods and longer-term changes to our climate (sea level rise etc).• G Adventures monitors any extreme weather events closely to quickly assist and protect customers. |
|-----------------------|--|

Details of future developments can be found in the Directors' Report on page 7 and form part of this report by cross-reference.

Approved by the Board and signed on its behalf by:

DocuSigned by:

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L Fernandes

Director

12 December 2023

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 2023.

Principal activity

The Group's principal activity during the year was to act as an agent on behalf of G Adventures Inc, in the sale of adventure tours to remote locations throughout Latin America, North America, Europe, Asia, Arctic, Africa and Antarctica.

Future developments

The Group will closely monitor the emerging economic risks, associated with both the Israel and Hamas conflict, and inflationary pressures faced by the UK economy. At present, the Israel and Hamas conflict has caused all tours to Israel to be cancelled until January 2024, however this will be extended if the conflict continues. The inflationary pressures faced by the UK market, in relation to the cost-of living pressures, will be considered within future plans around introducing new products to market and pricing of products.

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's financial instruments are foreign exchange risk, interest rate risk, liquidity risk and credit risk.

Foreign exchange risk

Adventures Limited undertakes sales and purchases in foreign currencies and therefore is subject to gains and losses due to the fluctuation of foreign currencies. The Group mitigates foreign currency risk by cash management, and as such does not use derivative financial instruments. Foreign currency rates are monitored closely as part of the cash management and payment timings are assessed based on this process.

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 and is also managed through intercompany creditors.

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

These financial statements have been prepared on the going concern basis which assumes the Group and the Company will have access to sufficient cash reserves to pay its debts as and when they become payable 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 upon the continuation of ongoing financial support from its consolidating company, Altun Group Ltd. (the "Global Group"). In this respect the Directors have received a letter of support from the Global Group, in relation to the provision of financial support to assist in meeting the Group's and the Company's liabilities as and when they fall due, including timely settlement of inter group amounts receivable where necessary, and confirmation that this support will continue for a period of at least 12 months from the date of signing these financial statements. The Directors have considered whether there are uncertainties surrounding the Global Group's ability to provide this support.

G Adventures Limited

Directors report (continued)

Going concern (continued)

During the fiscal year 2023, the Global Group experienced a substantial surge in pent-up travel demand, resulting in increased revenue and operational activities. The Global Group delivered a total revenue of \$289 million. This positive performance resulted in a gross margin of \$93.2 million, equivalent to 32.31% of revenue, and an EBITDA of \$21.6 million, accounting for 7.48% of revenue.

The Group's consolidating company, Altun Group Ltd. is currently working on refinancing their debt, transitioning from Subordinated Term Debt to Senior Debt, and extending the debt maturity by an additional 3 years. The agent has reviewed and confirmed the proposed terms and conditions, and anticipates completing the refinancing process prior to the end of the second quarter of FY24. By undertaking this refinancing, management aims to secure a lower cost of funding, leading to increased cost savings and an extended debt maturity.

The Group delivered a turnover of £10.8m (2022: £7.3m). The Group receives commission from G Adventures Inc. on all tours booked by UK customers, therefore this £3.5m increase relates to the increased commissionaire fees as a result of increased demand for travel in the year. Customer confidence has continued to recover and grow, and market research shows that travel is still viewed as priority, therefore the Group remains focused on steady, and profitable growth.

The profit after tax for the year ended 31 July 2023 was £3.8m (2022: £978k loss). The profit after tax has increased by £4.9m, largely due to the increased management and commissionaire fees in the year as described above. Administrative expenses for the year decreased by £2.0m at £6.7m (2022: £8.7m), as a result of foreign exchange movements. When excluding foreign exchange gains and losses, the FY23 administrative expenses have increased from £6.9m in FY22 to £9.5m in FY23 as a result of increased staff, marketing and operations. FY22 saw a large foreign exchange loss of £1.8m, compared to a large foreign exchange gain in FY23 of £2.7m as a result of the fluctuating exchange rates.

At the year end, the Group has net current assets of £10.0m (2022: £6.2m) and net assets of £10.1m (2022: £6.3m). The Group's net current asset position has increased due to a £4.8m decrease in creditors due to the commission fees offsetting amounts owed to G Adventures Inc, a fellow subsidiary of Altun Group.

There are a number of challenges that the Group must still consider when forecasting the future. There is some uncertainty with the UK economy and the current cost-of-living crisis. The Consumer Price Index (CPI) rose by 6.8% in the 12 months to July 2023 and pressures have seen increases to commodity prices, which affects both the cost of supply, as well as affecting the disposable income per household.

As a travel company, climate change could also have a large impact on the Group in the future, whether this be through the changing of customer preferences and behaviours, travel becoming stigmatised, potential costs to reduce or offset carbon emissions. As we experience more effects of climate change, this may also affect which countries the Group operates in. According to the World Health Organisation, heatwaves across Europe have claimed more than 60,000 lives in 2022 and it is expected by 2050 for this to rise to 120,000. In the UK, the temperature climbed above 40C (104F) for the first time in recorded history, Germany saw a major forest fire attack the Harz National Park and France saw wildfires ravage their countryside.

The directors are satisfied that the risks have been identified and that the plans in place will enable the Group to deal with the challenges and minimise the financial impact despite the uncertainties. Overall, the directors have a reasonable expectation that the Group will continue to operate effectively and are confident in receiving continued access to financial resources from Altun Group such that the Group has adequate resources to continue operating for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

Directors

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

- B Poon Tip
- L Fernandes

G Adventures Limited

Directors report (continued)

Directors' indemnities

The Company has indemnified and made a relevant agreement to indemnify officers of the Company against a liability incurred as such an officer. The Company has paid a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Post balance sheet events

No events have occurred post year end.

Political and charitable donations

The Group made £nil political or charitable contributions during the year (2022: £nil).

Energy and carbon reporting

The Company is exercising the exemption; an unquoted company that is a parent is exempt if certain qualifying conditions are met by the group that it heads. The qualifying conditions are met if the group satisfies two or more of the following requirements.

- not more than £36 million net (or £43.2 million gross) aggregate turnover;
- not more than £18 million net (or £21.6 million gross) balance sheet total; and
- not more than 250 employees

The Group satisfies two or more of these conditions and as such is taking the exemption.

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:

DocuSigned by:

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L Fernandes

Director

12 December 2023

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 Group and of the profit or loss of the Company and Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group 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 and of the Parent company's affairs as at 31 July 2023 and of its profits 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 23.

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 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 (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the ATOL regulations, ABTA regulations, IATA regulations and TICO regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Accuracy of recharge rate of costs recharged as revenue: We have performed audit procedures to address the significant risk by assessing the nature of the costs account codes and verifying the recharge rate used to the original agreement between G Adventures Inc. and G Adventures Limited.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

G Adventures Limited

Independent Auditor's Report to the members of G Adventures Limited (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

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 its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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, 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 Group'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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Robinson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
12 December 2023

G Adventures Limited**Consolidated Profit and Loss Account
For the year ended 31 July 2023**

	Note	2023 £	2022 £
Turnover	3	10,784,520	7,347,669
Other income	3	-	270
Administrative expenses		<u>(6,740,407)</u>	<u>(8,744,325)</u>
Operating profit/(loss)		4,044,113	(1,396,386)
Finance income	5	96,627	84,720
Finance costs	6	<u>-</u>	<u>(12,087)</u>
Profit/(loss) before taxation	4	<u>4,140,740</u>	<u>(1,323,753)</u>
Tax on profit/(loss)	8	<u>(359,028)</u>	<u>345,675</u>
Profit/ (loss) for the financial year - attributable to equity shareholders		<u>3,781,712</u>	<u>(978,078)</u>

The Group has no other comprehensive income and has, therefore, not included a separate Statement of Comprehensive Income. 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. All results derive from continuing operations.

G Adventures Limited**Consolidated Balance Sheet
For the year ended 31 July 2023**

	Note	2023 £	2022 £
Fixed Assets			
Tangible assets	9	<u>150,310</u>	<u>134,485</u>
		150,310	134,485
Current assets			
Debtors (£982,280 (2022: £1,697,120) falling due after more than one year)	11	57,929,248	24,319,043
Cash at bank and in hand	17	<u>6,060,006</u>	<u>6,396,565</u>
		63,989,254	30,715,608
Creditors: amounts falling due within one year	12	<u>(54,016,079)</u>	<u>(24,544,600)</u>
Net current assets		<u>9,973,175</u>	<u>6,171,008</u>
Total assets less current liabilities		10,123,485	6,305,493
Provisions for liabilities	13	(36,280)	-
Net assets		<u>10,087,205</u>	<u>6,305,493</u>
Capital and reserves			
Called-up share capital	15	30,000	30,000
Share premium account	15	99	99
Profit and loss account	16	<u>10,057,106</u>	<u>6,275,394</u>
Shareholders' funds		<u>10,087,205</u>	<u>6,305,493</u>

The consolidated financial statements of G Adventures Limited (registered number 07848780) were approved by the board of directors and authorised for issue on 12 December 2023.

They were signed on behalf by:

DocuSigned by:

 6FA5BA734ED141C..

L Fernandes
Director

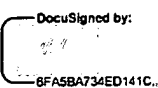
G Adventures Limited**Company Balance Sheet
For the year ended 31 July 2023**

	Note	2023 £	2022 £
Fixed Assets			
Tangible assets	9	150,310	134,485
Investments	10	<u>17,676</u>	<u>17,676</u>
		167,986	152,161
Current assets			
Debtors (£975,500 (2022: £1,596,749) falling due after more than one year)	11	57,436,615	22,763,939
Cash at bank and in hand	17	<u>3,744,723</u>	<u>4,232,396</u>
		61,181,338	26,996,335
Creditors: amounts falling due within one year	12	<u>(51,427,354)</u>	<u>(20,871,672)</u>
Net current assets		<u>9,753,984</u>	<u>6,124,663</u>
Total assets less current liabilities		9,921,970	6,276,824
Provisions for liabilities	13	(36,280)	-
Net assets		<u>9,885,690</u>	<u>6,276,824</u>
Capital and reserves			
Called-up share capital	15	30,000	30,000
Share premium account	15	99	99
Profit and loss account	16	<u>9,855,591</u>	<u>6,246,725</u>
Shareholders' funds		<u>9,885,690</u>	<u>6,276,824</u>

The profit after tax for the financial period dealt within the financial statements of the parent company was £3,608,866 (2022: loss of £786,881).

The financial statements of G Adventures Limited (registered number 07848780) were approved by the board of directors and authorised for issue on 12 December 2023

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 8FA5BA734ED141C..

L Fernandes
Director

G Adventures Limited**Consolidated and Company Statement of Changes in Equity
For the year ended 31 July 2023**

Group	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 August 2021	30,000	99	7,253,472	7,283,571
Loss for the period	-	-	(978,078)	(978,078)
Total comprehensive loss for the period	-	-	(978,078)	(978,078)
At 31 July 2022	30,000	99	6,275,394	6,305,493
At 1 August 2022	30,000	99	6,275,394	6,305,493
Profit for the period	-	-	3,781,712	3,781,712
Total comprehensive income for the period	-	-	3,781,712	3,781,712
At 31 July 2023	30,000	99	10,057,106	10,087,205

Company	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 August 2021	30,000	99	7,033,606	7,063,705
Loss for the period	-	-	(786,881)	(786,881)
Total comprehensive loss for the period	-	-	(786,881)	(786,881)
At 31 July 2022	30,000	99	6,246,725	6,276,824
At 1 August 2022	30,000	99	6,246,725	6,276,824
Profit for the period	-	-	3,608,866	3,608,866
Total comprehensive income for the period	-	-	3,608,866	3,608,866
At 31 July 2023	30,000	99	9,855,591	9,885,690

G Adventures Limited**Consolidated Cash Flow Statement
For the year ended 31 July 2023**

	Note	2023 £	2022 £
Net cash flows generated (used in)/generated from operating activities	16	(826,744)	4,814,897
Cash flows generated from investing activities			
Purchase of equipment	9	(69,115)	(19,098)
Disposal of equipment	9	1,868	-
Interest received	5	96,627	84,720
Notes receivable	11	400,000	100,000
Net cash flows generated from investing activities		<u>429,380</u>	<u>165,622</u>
Cash flows used in financing activities			
Interest paid	6	-	(12,087)
Net cash flows used in financing activities		<u>-</u>	<u>(12,087)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(397,364)</u>	<u>4,968,432</u>
Cash and cash equivalents at beginning of year		6,396,565	3,221,812
Effect of foreign exchange rate changes		60,805	(1,793,679)
Cash and cash equivalents at end of year	16	<u>6,060,006</u>	<u>6,396,565</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand	16	6,060,006	6,396,565
Cash equivalents		-	-
Cash and cash equivalents		<u>6,060,006</u>	<u>6,396,565</u>

G Adventures Limited

Notes to the financial statements For the year ended 31 July 2023

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

These financial statements have been prepared on the going concern basis which assumes the Group and the Company will have access to sufficient cash reserves to pay its debts as and when they become payable 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 upon the continuation of ongoing financial support from its consolidating company, Altun Group Ltd. (the "Global Group"). In this respect the Directors have received a letter of support from the Global Group, in relation to the provision of financial support to assist in meeting the Group's and the Company's liabilities as and when they fall due, including timely settlement of inter group amounts receivable where necessary, and confirmation that this support will continue for a period of at least 12 months from the date of signing these financial statements. The Directors have considered whether there are uncertainties surrounding the Global Group's ability to provide this support.

During the fiscal year 2023, the Global Group experienced a substantial surge in pent-up travel demand, resulting in increased revenue and operational activities. The Global Group delivered a total revenue of \$289 million. This positive performance resulted in a gross margin of \$93.2 million, equivalent to 32.31% of revenue, and an EBITDA of \$21.6 million, accounting for 7.48% of revenue.

The Group's consolidating company, Altun Group Ltd. is currently working on refinancing their debt, transitioning from Subordinated Term Debt to Senior Debt, and extending the debt maturity by an additional 3 years. The agent has reviewed and confirmed the proposed terms and conditions, and anticipates completing the refinancing process prior to the end of the second quarter of FY24. By undertaking this refinancing, management aims to secure a lower cost of funding, leading to increased cost savings and an extended debt maturity.

The Group delivered a turnover of £10.8m (2022: £7.3m). The Group receives commission from G Adventures Inc. on all tours booked by UK customers, therefore this £3.5m increase relates to the increased commissionaire fees as a result of increased demand for travel in the year. Customer confidence has continued to recover and grow, and market research shows that travel is still viewed as priority, therefore the Group remains focused on steady, and profitable growth.

The profit after tax for the year ended 31 July 2023 was £3.8m (2022: £978k loss). The profit after tax has increased by £4.9m, largely due to the increased management and commissionaire fees in the year as described above. Administrative expenses for the year decreased by £2.0m at £6.7m (2022: £8.7m), as a result of foreign exchange movements. When excluding foreign exchange gains and losses, the FY23 administrative expenses have increased from £6.9m in FY22 to £9.5m in FY23 as a result of increased staff, marketing and operations. FY22 saw a large foreign exchange loss of £1.8m, compared to a large foreign exchange gain in FY23 of £2.7m as a result of the fluctuating exchange rates.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

1. Accounting policies (continued)

b. *Going concern (continued)*

At the year end, the Group has net current assets of £10.0m (2022: £6.2m) and net assets of £10.1m (2022: £6.3m). The Group's net current asset position has increased due to a £4.8m decrease in creditors due to the commission fees offsetting amounts owed to G Adventures Inc, a fellow subsidiary of Altun Group.

There are a number of challenges that the Group must still consider when forecasting the future. There is some uncertainty with the UK economy and the current cost-of-living crisis. The Consumer Price Index (CPI) rose by 6.8% in the 12 months to July 2023 and pressures have seen increases to commodity prices, which affects both the cost of supply, as well as affecting the disposable income per household.

As a travel company, climate change could also have a large impact on the Group in the future, whether this be through the changing of customer preferences and behaviours, travel becoming stigmatised, potential costs to reduce or offset carbon emissions. As we experience more effects of climate change, this may also affect which countries the Group operates in. According to the World Health Organisation, heatwaves across Europe have claimed more than 60,000 lives in 2022 and it is expected by 2050 for this to rise to 120,000. In the UK, the temperature climbed above 40C (104F) for the first time in recorded history, Germany saw a major forest fire attack the Harz National Park and France saw wildfires ravage their countryside.

The directors are satisfied that the risks have been identified and that the plans in place will enable the Group to deal with the challenges and minimise the financial impact despite the uncertainties. Overall, the directors have a reasonable expectation that the Group will continue to operate effectively and are confident in receiving continued access to financial resources from Altun Group such that the Group has adequate resources to continue operating for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

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.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

1. Accounting policies (continued)

f. Impairment of assets

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

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a cash generating unit ("CGU") is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

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.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

1. Accounting policies (continued)

g. Taxation (continued)

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 Tour Operators Margin Scheme (TOMS by supplying flights services to G Touring Limited.

i. Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

j. 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.

k. 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).

l. 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 2023

1. Accounting policies (continued)

l. 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.

m. 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.

n. Finance costs

Finance costs relate to the interest payable on the promissory note with G Adventures Inc. The interest is based on the prime rate in Canada.

o. 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.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

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. Benchmarking studies were conducted under the OECD guidelines to generate a range of rates that would be deemed to be arm's length. For the tour management and operations services, we have a range of -0.95% to 28.51%. The 7% mark-up we apply falls within this range. For the sales support and marketing, the range is 1.17% to 24.02%. The 7% mark-up we apply falls within this range. For the commissions UK charges, the range is 0% to 16.3%. The 10% we apply falls within this range.

Key source of estimation uncertainty

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.

There are no key sources of estimation uncertainty.

3. Turnover

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

	2023	2022
	£	£
Commissionaire revenue	4,983,068	1,550,102
Management revenue	5,801,452	5,797,567
	<u>10,784,520</u>	<u>7,347,669</u>

	2023	2022
	£	£
Geographical analysis:		
United Kingdom	4,983,068	1,550,102
Rest of World (management revenue)	5,801,452	5,797,567
	<u>10,784,520</u>	<u>7,347,669</u>

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

3. Turnover (continued)

An analysis of other income includes:

	2023	2022
	£	£
Government grants	-	270
	<u>-</u>	<u>270</u>

Grants received in the prior year represent amounts received in respect of the 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.

4. Profit/(loss) before taxation

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

	2023	2022
	£	£
Depreciation (note 9)	36,359	38,297
Operating lease rentals	374,593	363,385
Loss on disposal of fixed assets	15,063	7,320
Realised exchange loss	474,153	242,739
Unrealised exchange (gain)/loss	(2,722,122)	1,793,677
	<u>(1,821,954)</u>	<u>2,445,418</u>

No Directors had defined benefit pension scheme, share options or loss of office payments during either the current or prior year. £nil money purchase pension scheme benefits were paid to any Directors in the current year (2022: £nil). 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:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	83,716	86,562
The audit of the company's subsidiaries	31,000	21,825
Total audit fees	<u>114,716</u>	<u>108,387</u>
	2023	2022
	£	£
Other taxation advisory services	9,257	3,650
Other assurance services	5,000	16,914
Total non-audit fees	<u>14,257</u>	<u>20,564</u>

5. Finance income

	2023	2022
	£	£
Interest on promissory note	<u>96,627</u>	<u>84,720</u>

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

6. Finance costs

	2023	2022
	£	£
Interest expense on bank deposits	-	12,087

7. Staff numbers and costs

Directors' Remuneration

No Directors were paid by the Company for the period of 1 August 2022 to 31 July 2023. Emoluments for two Directors (2022: two directors) were paid by a fellow subsidiary company, G Adventures Inc., which makes no recharge to the Company. All Directors of this Company are also Directors of a number of fellow subsidiary companies, and it is impossible to make an accurate apportionment of their emoluments in respect of each of these companies. Accordingly, no emoluments in respect of these Directors are disclosed.

Group

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

	2023	2022
	Number	Number
Sales, Marketing and Administration	65	49

Their aggregate remuneration is comprised of:

	2023	2022
	£	£
Wages and salaries	2,262,830	1,691,904
Social security costs	296,314	211,611
Pension costs	77,890	53,021
	<u>2,637,034</u>	<u>1,956,536</u>

Company

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

	2023	2022
	Number	Number
Sales, Marketing and Administration	57	42

Their aggregate remuneration is comprised of:

	2023	2022
	£	£
Wages and salaries	1,966,874	1,464,500
Social security costs	226,371	162,026
Pension costs	73,191	49,655
	<u>2,266,436</u>	<u>1,676,181</u>

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

8. Tax on profit/(loss)

	2023 £	2022 £
Current tax:		
UK corporation tax on profits in the period	-	4,268
Adjustment in respect of prior periods	(131)	(15,848)
Total current tax	<u>(131)</u>	<u>(11,580)</u>
	2023 £	2022 £
Deferred tax:		
Origination and reversal of timing differences	316,887	(295,565)
Adjustments in respect of previous periods	1,349	14,491
Tax rate changes	40,923	(53,021)
Total deferred tax	<u>359,159</u>	<u>(334,095)</u>
Total tax per profit and loss account	<u>359,028</u>	<u>(345,675)</u>

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

	2023 £	2022 £
Profit/ (loss) for the period – continuing operations	<u>4,145,259</u>	<u>(1,323,753)</u>
Tax on profit/(loss) at standard UK tax rate of 20.00% (2022: 19.00%)	865,139	(251,513)
Effects of:		
Expenses not deductible	8,366	1,864
Tax rate changes	40,923	(53,021)
Effect of group relief/other relief	(598,179)	-
Transfer pricing adjustments	(4,275)	-
Effect of overseas tax rates	34,105	(41,648)
Adjustment from previous periods	1,218	(1,357)
Deferred tax not provided	11,731	-
Tax charge/(credit) for the period	<u>359,028</u>	<u>(345,675)</u>

Factors that may affect the future tax charge

On 1 April 2023, the UK tax rate increased from 19% to 25%. A rate of 25% will apply from 1 April 2023 for profits above £250,000; a small profits rate of 19% will apply for profits below £50,000. The impact of this tax rate change, primarily revaluation of deferred tax assets and liabilities, was reflected in the prior year financial statements. No further changes to the UK tax rate have been announced since.

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 2023

9. Tangible fixed assets

Group and Company	Leasehold improvements £	Furniture & equipment £	Computer equipment £	Telephone equipment £	Total £
Cost					
At 1 August 2022	301,123	119,361	114,604	25,583	560,671
Additions	-	-	69,115	-	69,115
Disposals	-	-	(89,560)	-	(89,560)
At 31 July 2023	<u>301,123</u>	<u>119,361</u>	<u>94,159</u>	<u>25,583</u>	<u>540,226</u>
Depreciation					
At 1 August 2022	243,647	87,907	70,667	23,965	426,186
Charge for the year	11,495	6,291	18,087	486	36,359
Disposal	-	-	(72,629)	-	(72,629)
At 31 July 2023	<u>255,142</u>	<u>94,198</u>	<u>16,125</u>	<u>24,451</u>	<u>389,916</u>
Net book value					
At 31 July 2023	<u>45,981</u>	<u>25,163</u>	<u>78,034</u>	<u>1,132</u>	<u>150,310</u>
At 31 July 2022	<u>57,476</u>	<u>31,454</u>	<u>43,937</u>	<u>1,618</u>	<u>134,485</u>

10. Fixed asset investments

Group and Company

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Subsidiary undertaking	-	-	<u>17,676</u>	<u>17,676</u>

The Company has investments of ordinary share capital in the following subsidiary undertakings:

	Address	Principal activity	Holding %
G Adventures GmbH	Königsallee 60 F40212 Düsseldorf, 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 Königsallee 60 F, 40212 Düsseldorf, 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 the current or prior year.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

11. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<i>Amounts falling due within one year:</i>				
Prepayments and other debtors	197,667	154,849	177,541	154,104
VAT	182,327	100,760	166,332	86,621
Corporation tax	327,987	343,846	408,471	408,471
Amount owed by group undertakings	56,238,987	22,022,468	55,708,771	20,517,994
	<u>56,946,968</u>	<u>22,621,923</u>	<u>56,461,115</u>	<u>21,167,190</u>
<i>Amounts falling due after more than one year:</i>				
Prepayments	55,500	55,500	55,500	55,500
Notes Receivable (group undertaking)	920,000	1,320,000	920,000	1,320,000
Deferred tax asset	6,780	321,620	-	221,249
Total debtors	<u>57,929,248</u>	<u>24,319,043</u>	<u>57,436,615</u>	<u>22,763,939</u>

The amounts owed by Group undertakings are classified as Debtors: Amounts falling due within one year.

During the year, the Company received net repayment of £400k from a subsidiary with an interest rate of the current prime rate in Ontario, Canada plus the prime rate margin plus 2%. The interest income for the year was £96,627 (2022: £84,720). The balance of the loan will not be called for repayment within the 12-month period beginning 1 August 2023. The payables balance will not be recalled for payment prior to 31 July 2024.

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

12. Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade and other creditors	74,679	209,787	62,572	187,708
Taxation and social security	11,295	8,735	11,295	8,735
Accruals	1,205,251	1,410,455	942,344	1,006,956
Amount owed to group undertakings	52,724,854	22,915,623	50,411,143	19,668,273
	<u>54,016,079</u>	<u>24,544,600</u>	<u>51,427,354</u>	<u>20,871,672</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.

Included in trade creditors is £nil (2022: £nil) owed in respect of IATA's Billing and Settlement Plan (BSP). The balance for the week ending 31 July 2023 of £307,665 has not been accrued due to expenses being related to flights departing after the year end. £200,000 of the balance was paid on 31 July 2023 and the remaining balance of £107,665 was paid on 8th August 2023.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

13. Deferred tax

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred tax assets:				
At 1 August 2022	(321,620)	14,246	(221,249)	13,458
Adjustment in respect of prior years	1,349	14,491	1,408	15,336
Deferred tax charge to profit & loss for the year	357,810	(348,586)	256,121	(250,043)
Foreign exchange differences	(1,259)	(1,771)	-	-
At 31 July 2023	<u>36,280</u>	<u>(321,620)</u>	<u>36,280</u>	<u>(221,249)</u>

Deferred tax is provided as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Fixed asset timing difference	36,280	32,038	36,280	32,038
Short term timing difference	76,705	(100,371)	-	-
Losses	<u>(76,705)</u>	<u>(253,287)</u>	<u>-</u>	<u>(253,287)</u>
Provision for deferred tax	<u>36,280</u>	<u>(321,620)</u>	<u>36,280</u>	<u>(221,249)</u>
Deferred tax assets				
Recoverable after 12 months	<u>(76,705)</u>	<u>(353,658)</u>	<u>-</u>	<u>(253,287)</u>
Deferred tax liabilities				
Payable within 12 months	<u>112,985</u>	<u>32,038</u>	<u>36,280</u>	<u>32,038</u>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred tax liabilities	112,985	32,038	36,280	32,038
Deferred tax assets	<u>(76,705)</u>	<u>(353,658)</u>	<u>-</u>	<u>(253,287)</u>
	<u>36,280</u>	<u>(321,620)</u>	<u>36,280</u>	<u>(221,249)</u>

14. Contingent liability

There is ongoing litigation as at 31 July 2023 due to a customer incident. There is a possible but uncertain obligation that if G Adventures were to be found liable, they would be required to pay damages estimated between £39,170 and £52,500, as well as legal costs of £55,000. These amounts have not been accrued in the accounts as at 31 July 2023 as the Group and legal advisors believe that all local standards have been met and G Adventures are therefore not liable.

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

15. Called-up share capital

	2023 £	2022 £
Number allotted, called-up and fully paid 30,000 ordinary shares. Nominal value £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.

16. Reserves

Profit and loss account

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

17. Cash flow statement

	2023 £	2022 £
Reconciliation of operating profit to cash generated used in operations:		
Operating profit/(loss)	4,044,113	(1,396,386)
Adjustment for:		
Depreciation	36,359	38,297
Taxes paid	7,155	2,883
Unrealised foreign exchange (gain)/loss	(60,805)	1,793,679
Operating cash flow before movement in working capital	<u>4,026,822</u>	<u>438,473</u>
(Increase) in debtors	(34,325,045)	(10,135,113)
Increase in creditors	29,471,479	14,497,292
Increase in provisions	-	14,245
Cash generated from operations	<u>(826,744)</u>	<u>4,814,897</u>

	At 1 August 2022	Cash flows	At 31 July 2023
Cash and cash equivalents			
Cash	6,396,565	(336,559)	6,060,006
Total	<u>6,396,565</u>	<u>(336,559)</u>	<u>6,060,006</u>

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

18. Financial commitments

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

	2023	2022
	£	£
-within one year	370,000	370,000
-between one and five years	61,667	431,667
	<u>431,667</u>	<u>801,667</u>

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

19. Guarantees and off balance-sheet arrangements

The Company has provided bonds totalling £1,551,000 (2022: £992,310) in respect of the Air Travel Organisers' Licensing guidelines and £9,571,328 (2022: £3,498,755) in respect of the Association of British Travel Agents guidelines.

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 respect to this guarantee.

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.

20. Related party transactions

Under FRS 102, the Company can be exempt from disclosure of transactions entered into between two or more members of a Group provided that any subsidiary which is part to the transaction is wholly owned by such member, therefore transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions between the Group and other related parties are disclosed below.

The Company loaned £920,000 (2022: £1,320,000) to TruTravels Ltd, a fellow subsidiary between 2020 and 2023. The loan is unsecured and bears interest based on current prime rate in Ontario, Canada plus the prime rate margin plus 2%. The loan is repayable to the lender no earlier than 31 July 2024. The loan interest for the year was £96,627 (2022: £84,720).

G Adventures Limited

Notes to the financial statements (continued) For the year ended 31 July 2023

21. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial Assets				
Measured at undiscounted amount receivable				
Trade and other debtors	56,749,301	22,467,074	56,283,574	21,013,087
Cash and cash equivalents	6,060,006	6,396,565	3,744,723	4,232,396
	<u>62,809,307</u>	<u>28,863,639</u>	<u>60,028,297</u>	<u>25,245,483</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial Liabilities				
Measured at undiscounted amount payable				
Trade and other creditors	52,810,828	23,134,145	50,485,010	19,864,716
	<u>52,810,828</u>	<u>23,134,145</u>	<u>50,485,010</u>	<u>19,864,716</u>

22. Events after the balance sheet date

There have been no significant events since the balance sheet date requiring disclosure under FRS 102.

23. Ultimate controlling party

Both the immediate and ultimate parent company is Altun Group Ltd, which is a holding company incorporated in Canada. Altun Group Ltd heads the largest Group of which the Company is a member. The smallest group is with G Adventures GmbH.

The financial statements of Altun Group Ltd 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.