Travel Circle International (Mauritius) Ltd

FINANCIAL STATEMENTS
YEAR ENDED
31 March 2021

Travel Circle International (Mauritius) Ltd

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Travel Circle International (Mauritius) Ltd

Corporate data

			Date appointed
Directors	:	Mr Mohinder Shakeel Dyall	26 May 2017
		Ms Sangeeta Bissessur	11 September 2018
Company Secretary	:	SANNE Mauritius Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
Registered Office	:	C/o SANNE Mauritius Sanne House, Bank Street TwentyEight Cybercity Ebene 72201 Republic of Mauritius	
Auditors	:	Grant Thornton Ebene Tower 52 Cybercity Ebene 72201 Republic of Mauritius	
Bankers	:	The Mauritius Commercial Bank Ltd Sir William Newton Street Port Louis Republic of Mauritius	
		Axis Bank Limited Gift City Branch, Unit No. 403 4th Floor, Hiranandani Signature Gandhinagar, Gujarat – 382355 Republic of India	
		Standard Chartered Bank Crescenzo, 6th Floor Bandra East Mumbai – 400051 Republic of India	
		Standard Chartered Bank Business Centre Khalid Bin Waleed Road Bur Dubaid – P.O Box 999 Dubai United Arab Emirates	

Travel Circle International (Mauritius) Ltd

Commentary of the directors

The directors of **Travel Circle International (Mauritius) Ltd**, the "Company", have the pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2021.

Incorporation

The Company was incorporated in the Republic of Mauritius on 26 May 2017 under the Mauritius Companies Act 2001 as a private company with liability limited by shares.

Principal activity

The principal activity of the Company is to hold investments.

Results and dividends

The results for the year are as shown on page 10.

The directors do not recommend the payment of any dividend for the year under review (2020: USD Nil).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and IFRS. 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.

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office.

Certificate from the Secretary to the members of Travel Circle International (Mauritius) Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Travel Circle International (Mauritius) Ltd** under the Mauritius Companies Act 2001, during the financial year ended 31 March 2021.

for **SANNE Mauritius**
Company Secretary

Registered Office:
Sanne House, Bank Street
TwentyEight Cybercity
Ebene 72201
Republic of Mauritius

Date: 12 July 2021

Grant Thornton

Independent auditors' report
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Travel Circle International (Mauritius) Ltd**, the "Company", which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 9 to 31 give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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.

Information Other than the Financial Statements and Auditors' Report Thereon ("Other Information")

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data and the Commentary of the Directors sections, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;

- we have obtained all the information and explanations we have required; and

- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Independent auditors' report (Continued)
To the members of Travel Circle International (Mauritius) Ltd

Other Matter

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. 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 auditors' 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 opinion we have formed.

Grant Thornton

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Date: 12 JUL 2021

Ebene 72201, Republic of Mauritius

Travel Circle International (Mauritius) Ltd

Statement of financial position as at 31 March

	Notes	2021 USD	2020 USD
Assets			
Non-current			
Investments in subsidiaries	7	**24,606,816**	24,606,816
Loans	8	**3,345,000**	4,445,000
Non-current assets		**27,951,816**	29,051,816
Current			
Loans	8	**33,782,325**	14,181,472
Receivables	9	**192,794**	266,356
Investment in fixed deposits	10	**1,542,429**	1,517,043
Cash and cash equivalents	11	**1,173,327**	2,717,083
Current assets		**36,690,875**	18,681,954
Total assets		**64,642,691**	47,733,770
Equity and liabilities			
Equity			
Stated capital	12.1	**4,133,001**	4,133,000
Share premium	12.2	**5**	-
Optionally convertible redeemable preference shares	13	**25,910,000**	25,910,000
Accumulated losses		**(2,019,182)**	(2,452,394)
Total equity		**28,023,824**	27,590,606
Liabilities			
Non-current liabilities			
Borrowings	14	**10,000,000**	15,000,000
Current			
Borrowings	14	**26,374,810**	5,087,129
Payables	15	**244,057**	56,035
Current liabilities		**26,618,867**	5,143,164
Total liabilities		**36,618,867**	20,143,164
Total equity and liabilities		**64,642,691**	47,733,770

Approved by the Board on **12 July 2021** and signed on its behalf by:

Director

Director

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of comprehensive income for the year ended 31 March

	Notes	2021 USD	2020 USD
Income			
Interest income	8(iii) & 10(ii)	**501,507**	463,878
Net foreign exchange gains		**1,178,947**	-
Payables written back	16	**10,089**	-
Dividend income	7.7	-	264,000
Total income		**1,690,543**	727,878
Expenditure			
Legal and secretarial expenses		**75,598**	182,839
Professional fees		**197,790**	320,670
Fines	21	**137,783**	-
Other expenses		**30,272**	42,347
Audit fees		**5,501**	4,600
Accounting fees		**12,000**	12,000
Processing fees		**65,001**	65,179
Corporate guarantee fees		**37,730**	38,867
Net foreign exchange losses		-	773,876
Interest expense	14(iii)	**695,656**	797,264
Total expenditure		**1,257,331**	2,237,642
Profit/(loss) before tax		**433,212**	(1,509,764)
Tax expense	17	-	-
Profit/(loss) for the year		**433,212**	(1,509,764)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**433,212**	(1,509,764)

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of changes in equity for the year ended 31 March

	Stated capital USD	Share premium USD	Optionally convertible redeemable preference shares USD	Accumulated losses USD	Total USD
At 01 April 2020	**4,133,000**	**-**	**25,910,000**	**(2,452,394)**	**27,590,606**
Issue of shares (Notes 12.1 & 12.2)	**1**	**5**	**-**	**-**	**6**
Transaction with the shareholders	**1**	**5**	**-**	**-**	**6**
Profit for the year	**-**	**-**	**-**	**433,212**	**433,212**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**433,212**	**433,212**
At 31 March 2021	**4,133,001**	**5**	**25,910,000**	**(2,019,182)**	**28,023,824**
At 01 April 2019	4,133,000	-	25,910,000	(942,630)	29,100,370
Loss for the year	-	-	-	(1,509,764)	(1,509,764)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,509,764)	(1,509,764)
At 31 March 2020	4,133,000	-	25,910,000	(2,452,394)	27,590,606

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Statement of cash flows for the year 31 March

	2021 USD	2020 USD
Operating activities		
Profit/(loss) before tax	**433,212**	(1,509,764)
Adjustments for:		
Net foreign exchange (gains)/losses	**(1,178,947)**	773,876
Payables written back	**(10,089)**	-
Receivables written off	**8,562**	-
Interest income	**(501,507)**	(463,878)
Interest expense	**695,656**	797,264
Operating loss before working capital changes	**(553,113)**	(402,502)
Changes in working capital:		
Change in payables	**202,325**	(231,803)
Change in receivables	**65,000**	65,179
Total changes in working capital	**267,325**	(166,624)
Net cash used in operating activities	**(285,788)**	(569,126)
Investing activities		
Investment in fixed deposits	**(1,501,561)**	(2,236,325)
Fixed deposits encashed	**1,501,562**	740,000
Net cash from/(used in) investing activities	**1**	(1,496,325)
Financing activities		
Proceeds from issue of shares	**6**	-
Loans from related parties	**21,000,000**	-
Loans to related parties	**(16,850,000)**	368,322
Loans from banks	**(5,000,000)**	-
Interest paid	**(407,975)**	(803,281)
Net cash used in financing activities	**(1,257,969)**	(434,959)
Net change in cash and cash equivalents	**(1,543,756)**	(2,500,410)
Cash and cash equivalents, at beginning of the year	**2,717,083**	5,217,493
Cash and cash equivalents, at end of the year	**1,173,327**	2,717,083
Cash and cash equivalents made up of:		
Cash at bank (Note 11)	**1,173,327**	2,717,083

For reconciliation of liabilities arising from financing activities, refer to **Note 19**.

The notes on pages 13 to 31 form an integral part of these financial statements.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

1. General information and statement of compliance with the International Financial Reporting Standards ("IFRS")

Travel Circle International (Mauritius) Ltd, the "Company", was incorporated on 26 May 2017 in the Republic of Mauritius under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Global Business Licence issued (formerly Category 1 Global Business Licence) by the Financial Services Commission. The Company's registered office is Sanne House, Bank Street, TwentyEight Cybercity, Ebene 72201, Republic of Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual year beginning on 01 April 2020

In the current year, the following new and revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 April 2020:

IFRS 3	Definition of a Business (Amendments to IFRS 3)
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Management has assessed the impact of these revised standards and concluded that none of them have an impact on the Company's financial statements.

2.2 Standards and amendments to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as applicable to the Company's activity, will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards and amendments to existing standards is provided below:

IFRS 16	COVID-19-Related Rent Concessions (Amendment to IFRS 16)
Various	Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
IFRS 3	References to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
IFRS 17	Insurance Contracts
IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Management has yet to assess the impact of the above standards and amendments to existing standards on the Company's financial statements.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Investments in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

The Company does not present consolidated financial statements as it is wholly-owned by a parent company (see Note 7.4).

3.3 Foreign currency

Functional and presentation currency

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is accounted on an accrual basis unless collectability is in doubt.

3.5 Operating expenses

Operating expenses are accounted on an accrual basis in the statement of comprehensive income.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the year in which they are incurred.

3.7 Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of an impairment loss exists, the carrying amount of the asset is assessed and is written down to its recoverable amount.

3.8 Financial instruments

Recognition, initial measurement and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

In the current year, the Company does not have any financial assets categorised as FVTPL and FVOCI

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of receivables which is presented within other expenses.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's loans, investment in fixed deposits, cash and cash equivalents and most receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these requirements include mainly loans.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Company makes use of a simplified approach in accounting for its loans and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company writes off a financial asset when there is information indicating that the borrowers are in severe difficulty and there is no realistic prospect of recovery. Receivables or other financial assets written off are still subject to recovery procedures based on legal advices.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.8 Financial instruments (Continued)

Offsetting financial instruments

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

3.9 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, together with other short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued. The amount received in excess of the nominal values is classified as share premium.

Accumulated losses include all the current and prior years' results as disclosed in the statement of comprehensive income.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.12 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from, or obligations to fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Notes to the financial statements

For the year ended 31 March 2021

3. Summary of accounting policies (Continued)

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses.

All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.14 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.15 Significant management judgements in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Significant management judgements

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Impact of COVID-19 and going concern

In January 2020, the World Health Organisation has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have considered the potential adverse impact of COVID-19 on the Company's investment activities and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the holding companies' financial capacity to provide continuing financial support to the Company, future investment strategies of the group and global economic conditions.

Notes to the financial statements

3. Summary of accounting policies (Continued)

3.15 Significant management judgements in applying accounting policies and estimation uncertainties (Continued)

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of loans

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its loans. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Impairment of investments in subsidiaries

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investments and confirmed that the carrying amounts have not suffered any impairment in value at the reporting date.

4. Financial instrument risk

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company risk management policies are designed to identify and analyse these risks, to set up appropriate risk limits and controls, and to monitor the risks.

The Company's risk is managed at group level and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

The Company's financial assets and financial liabilities by category are summarised below:

	2021 USD	2020 USD
Financial assets		
Amortised cost		
Non-current assets		
Loans	**3,345,000**	4,445,000
Current		
Loans	**33,782,325**	14,181,472
Receivables*	**-**	8,562
Investment in fixed deposits	**1,542,429**	1,517,043
Cash and cash equivalents	**1,173,327**	2,717,083
Current assets	**36,498,081**	18,424,160
Total financial assets	**39,843,081**	22,869,160

	2021 USD	2020 USD
Financial liabilities		
Amortised cost		
Non-current		
Borrowings	**10,000,000**	15,000,000
Current		
Borrowings	**26,374,810**	5,087,129
Payables	**244,057**	56,035
	26,618,867	5,143,164
Total financial liabilities	**36,618,867**	20,143,164

* *Receivables considered as financial assets exclude prepayments.*

The most significant financial risks to which the Company is exposed are described below.

4.1 Market risks analysis

Foreign currency exchange risk

The Company's exposure to foreign exchange risk relates mostly to its financial assets and liabilities denominated in Australian Dollars ("AUD").

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.1 Market risks analysis (Continued)

Foreign currency exchange risk (Continued)

The currency profile of the Company's financial assets and liabilities is as follows:

	Financial assets 2021 USD	Financial assets 2020 USD	Financial liabilities 2021 USD	Financial liabilities 2020 USD
Australian Dollar ("AUD")	**5,977,704**	4,713,011	-	-
United States Dollar ("USD")	**33,865,377**	18,156,149	**36,618,867**	20,143,164
Total	**39,843,081**	22,869,160	**36,618,867**	20,143,164

It assumes a 10% change in the AUD/USD exchange rates for the year ended 31 March 2021 (2020: 10%). The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the AUD by 10%, profit would have decreased by USD 597,770 at 31 March 2021 (2020: loss would have increased by USD 471,301). If the USD had weakened by the same percentage against the foreign currency, profit would have increased by USD 597,770 (2020: loss would have decreased by USD 471,301).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has interest-bearing financial assets and financial liabilities in the form of loans and borrowings respectively. The interests thereon are at fixed rate.

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised overleaf:

Notes to the financial statements

For the year ended 31 March 2021

4. Financial instrument risk (Continued)

Risk management objectives and policies (Continued)

4.2 Credit risk analysis (Continued)

	2021 USD	2020 USD
Non-current assets		
Loans	**3,345,000**	4,445,000
Current		
Loans	**33,782,325**	14,181,472
Receivables*	**-**	8,562
Investment in fixed deposits	**1,542,429**	1,517,043
Cash and cash equivalents	**1,173,327**	2,717,083
Current assets	**36,498,081**	18,424,160
Total	**39,843,081**	22,869,160

** Receivables considered as financial assets exclude prepayments.*

The directors have assessed the loans due from related parties and concluded that these loans have not suffered from any impairment at the reporting date, hence no expected credit loss is to be recognised. Furthermore, the holding companies have undertaken to make good any loss suffered by the Company in the event of any default arising out from these loans. Also, the Company, acting as an investment vehicle, forms part of a group where the treasury functions are centrally managed and all loans within group companies are managed at the holding company level.

The credit risk for the investment in fixed deposits and cash and cash equivalents is considered negligible, since the Company transacts with reputable banks.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business and also by securing the financial support of its holding companies and financial institutions.

The Company considers expected cash flows from financial assets in assessing liquidity risk, in particular its cash resources and loans.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

4. **Financial instrument risk (Continued)**

Risk management objectives and policies (Continued)

4.3 **Liquidity risk analysis (Continued)**

The following are the contractual maturities of financial liabilities:

31 March 2021	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	**36,374,810**	**37,616,566**	**27,412,119**	**10,204,447**
Payables	**244,057**	**244,057**	**244,057**	**-**
	36,618,867	**37,860,623**	**27,656,176**	**10,204,447**

31 March 2020	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	20,087,129	23,189,056	5,797,264	17,391,792
Payables	56,035	56,035	56,035	-
	20,143,164	23,245,091	5,853,299	17,391,792

5. **Capital management policies and procedures**

The Company's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to shareholders and stakeholders.

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital:

5. Capital management policies and procedures (Continued)

	2021 USD	2020 USD
Debt	**15,008,735**	20,022,177
Cash and cash equivalents	**(1,173,327)**	(2,717,083)
Net debt	**13,835,408**	17,305,094
Equity	**28,023,824**	27,590,606
Total capital	**41,859,232**	44,895,700
Gearing ratio	**33.05%**	38.55%

Debt includes loans from banks but excludes loans from related parties (Note 14).

6. Fair value measurement

6.1 Fair value measurement of financial instruments

The Company's financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

The Company, acting as an investment vehicle in the group, has invested in a number of unquoted companies engaged in diversified business activities. The Company's policy is to revalue its financial assets on an annual basis for financial reporting purposes in collaboration with its holding company. The valuation is discussed at appropriate authority level and due consideration is given to impairment losses. The directors consider that it is not relevant and practicable to adjust for any fair value movement at the Company's level given the business model in which the Company operates within the group.

6.2 Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investments in subsidiaries and prepayments and it did not have any non-financial liabilities.

For non-financial assets, fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

7. Investments in subsidiaries

7.1 Movement during the year

	2021	2020
	USD	USD
At 01 April and 31 March	**24,606,816**	24,606,816

7.2 Details pertaining to the investments are as follows:

Name of companies	Country of Incorporation	% Holding
Kuoni Australia Holding Pty Ltd	Australia	100%
Asian Trails Holdings Ltd	Republic of Mauritius	100%
Reem Tours and Travel LLC (Note 7.5)	United Arab Emirates	100%
Gulf Dunes LLC (Note 7.5)	United Arab Emirates	100%
Desert Adventures Tourism LLC (Note 7.5)	United Arab Emirates	100%
Kuoni Private Safaris (Pty) Ltd	Republic of South Africa	100%
Private Safaris (EA) Ltd	Kenya	100%
DEI Holdings Limited	United Arab Emirates	51%

7.3 As the Company forms part of a group, the impairment assessment for financial reporting is done at group level. The directors consider that these investments have not suffered any impairment at the reporting date.

7.4 No consolidated financial statements are presented as the Company's ultimate holding company, Thomas Cook (India) Limited, will present consolidated financial statements under IFRS. The registered office of Thomas Cook (India) Limited is Thomas Cook Building, Dr Dadabhai Naoroji Road, Fort, Mumbai – 400001, Maharashtra, Republic of India.

7.5 The Company holds 49% each of the shares of Reem Tours and Travel LLC, Gulf Dunes LLC and Desert Adventures Tourism LLC and the remaining shares are indirectly held by the Company through distinct nominees. The Company maintains beneficial ownership of these investments.

7.6 The Company has not received any dividend income during the current financial year (2020: USD 264,000).

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

8. Loans

	2021 USD	2020 USD
Non-current		
Loan to a related company (Note (i))	**3,345,000**	4,445,000
Current		
Loans to related companies (Note (ii))	**33,782,325**	14,181,472
Total	**37,127,325**	18,626,472

(i) The loan is unsecured, receivable over a period of twelve months and interest-free.

(ii) The loans are unsecured, receivable within twelve months, partly interest-free and partly bear interest.

(iii) Interest accrued on the loans to related companies for the year amounted to USD 476,120 (2020: USD 436,835).

(iv) Expected credit losses

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all its loans receivable as these items do not have a significant financing component.

The directors consider no expected credit loss is to be recognised for the loans receivable as the borrowers form part of the same group of companies and the holding companies have undertaken to make good of any loss suffered by the Company in the event of any default arising out from these loans receivable.

9. Receivables

	2021 USD	2020 USD
Prepayments	**192,794**	257,794
Other receivables	**-**	8,562
Total	**192,794**	266,356

10. Investment in fixed deposits

	2021 USD	2020 USD
At 01 April 2020	**1,517,043**	-
Investment during the year	**1,502,561**	2,230,000
Redeemed during the year	**(1,502,562)**	(740,000)
Interest element	**25,387**	27,043
At 31 March 2021	**1,542,429**	1,517,043

(i) At 31 March 2021, the Company held fixed deposits with maturity dates of 03 August 2021 and 10 June 2024 and interest rates which vary from 0.10% to 3%.

(ii) Interest accrued on the investment in fixed deposits for the year amounted to USD 25,387 (2020: USD 27,043).

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

11. Cash and cash equivalents

	2021 USD	2020 USD
Cash at bank (USD)	**1,173,327**	2,717,083

12.1 Stated capital

	2021 USD	2020 USD
4,133,001 ordinary shares of USD 1 each	**4,133,001**	4,133,000

Pursuant to board meeting held on 25 January 2021, the Board approved the issue of 1 ordinary share of par value USD 1 to Thomas Cook (Mauritius) Holding Company Limited, at a price of USD 6.18, thus resulting in a premium of USD 5.18 (Note 12.2).

12.2 Share premium

	2021 USD
Share premium	**5**

13. Optionally convertible redeemable preference shares ("OCRPS")

	2021 USD	2020 USD
Nominal value	**23,649,535**	23,649,535
Share premium (Note 13.3)	**2,260,465**	2,260,465
Total	**25,910,000**	25,910,000

13.1 The OCRPS are redeemable at the option of the issuer anytime during the tenure of these shares. At the end of 20 years from date of issue, the OCRPS shall be converted into ordinary shares.

13.2 The OCRPS carry the following rights:

- to receive notice of and attend shareholder meetings generally and class meetings of the OCRPS but no right to vote on any matters to be considered by the shareholders generally, provided that each OCRPS shall have the right to vote on any matter to be considered by holders of the OCRPS shares.

- right to dividend out of profits, only if, dividend is also declared to equity shareholders. OCRPS dividend would be non-cumulative. However, the Board would have the right to change the dividend rights at any time during the tenure of the OCRPS.

13.3 In prior years, 3,139,535 OCRPS have been issued at a premium of USD 0.72 per share, resulting in a premium of USD 2,260,465.

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

14. Borrowings

	2021 USD	2020 USD
Non-current		
Loans from banks (Note (i))	**10,000,000**	15,000,000
Current		
Loans from banks (Note (i))	**5,008,735**	5,022,177
Loans from related parties (Note (ii))	**21,366,075**	64,952
Total current	**26,374,810**	5,087,129
Total borrowings	**36,374,810**	20,087,129

(i) The loans from the banks are interest-bearing and secured by a fixed charge on the Company's investment in DEI Holdings Limited and Desert Adventures Tourism LLC, a corporate guarantee by Thomas Cook (India) Limited and an exclusive charge on the next quarter payment of the principal and interest amount that should be deposited in the debt service reserve account.

(ii) The loans from the related parties are interest-bearing, unsecured and repayable within twelve months. The directors consider the carrying amount of the loans to be a reasonable approximation of the fair values.

(iii) Interest accrued on the loans for the year amounted to USD 695,656 (2020: USD 797,264).

15. Payables

	2021 USD	2020 USD
Accruals	**229,057**	53,035
Due to a related party	**15,000**	3,000
Total	**244,057**	56,035

The amount due to the related party is interest-free, unsecured and repayable within twelve months.

16. Payables written back

During the year, an amount of USD 10,089 was written back as it no longer represents a valid liability.

17. Taxation

17.1 Income tax expense

The taxation of income and capital gains of the Company are subject to the fiscal laws and practice of the Republic of Mauritius and the countries in which the Company invests. The following is a summary in the key jurisdictions based on the taxation laws and practice currently in force; these may be subject to change.

Notes to the financial statements

For the year ended 31 March 2021

17. Taxation (Continued)

17.1 Income tax expense (Continued)

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of the income of the Company from tax in Mauritius, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

At 31 March 2021, the Company had no income tax liability due to accumulated tax losses of USD 1,455,881 (2020: USD 912,877) carried forward.

17.2 Income tax reconciliation

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2021 USD	2020 USD
Profit/(loss) before tax	**433,212**	(1,509,764)
Tax at 3%	**12,996**	(45,293)
Non-allowable expenses	**6,024**	39,131
Exempt income	**(35,368)**	(7,920)
Deferred tax not recognised	**16,348**	14,082
Tax expense	**-**	-

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

18. Related party transactions

During the year ended 31 March 2021, the Company had transactions with related entities. The nature, volume of transactions and balances with related parties are as follows.

Name of related party	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2021 USD	Debit/(credit) balances at 31 March 2020 USD
Asian Trails Holdings Ltd	Borrowings	-	**(53,944)**	(53,944)
PT Asian Trails Indonesia	Borrowings	-	**(6,823)**	(6,823)
Asian Trails (Vietnam) Co. Ltd	Borrowings	-	**(4,185)**	(4,185)
Thomas Cook (India) Limited	Borrowings	**14,721,346**	**(14,721,346)**	-
SOTC Travel Limited	Borrowings	**5,623,019**	**(5,623,019)**	-
Thomas Cook (Mauritius) Holding Company Limited	Borrowings	**956,758**	**(956,758)**	-
Asian Trails Holdings Ltd	Loan receivable	**2,751,694**	**13,356,006**	10,604,312
DEI Holdings Limited	Loan receivable	**7,936,443**	**10,237,758**	2,301,315
Desert Adventures Tourism LLC	Loan receivable	**3,810,284**	**3,810,284**	-
Kuoni Australia Holding Pty. Ltd	Loan receivable	**1,264,693**	**5,977,704**	4,713,011
Private Safaris Africa	Loan receivable	**861,311**	**861,311**	-
Private Safaris (EA) Ltd	Loan receivable	**100,000**	**100,000**	-
Horizon Travel Services	Loan receivable	**1,776,428**	**2,784,262**	1,007,834
Thomas Cook (Mauritius) Holding Company Limited	Payables	**12,000**	**(15,000)**	(3,000)
SOTC Travel Limited	OCRPS	-	**(11,600,000)**	(11,600,000)
Thomas Cook (India) Limited	OCRPS	-	**(14,310,000)**	(14,310,000)

The terms and conditions are described in Notes 8, 13, 14 and 15 to these financial statements.

19. Reconciliation of liabilities arising from financing activities

2021	At 01 April 2020 USD	Cash flows USD	Non-cash flows USD	At 31 March 2021 USD
Loans from related parties	**64,952**	**21,000,000**	**301,123**	**21,366,075**
Loans from banks	**20,022,177**	**(5,407,975)**	**394,533**	**15,008,735**
Total	**20,087,129**	**15,592,025**	**695,656**	**36,374,810**

2020	At 01 April 2019 USD	Cash flows USD	Non-cash flows USD	At 31 March 2020 USD
Loans from related parties	64,952	-	-	64,952
Loans from banks	20,028,194	(803,281)	797,264	20,022,177
Total	20,093,146	(803,281)	797,264	20,087,129

Travel Circle International (Mauritius) Ltd

Notes to the financial statements

For the year ended 31 March 2021

20. Holding companies

The holding companies are SOTC Travel Limited and Thomas Cook (India) Limited, companies incorporated in the Republic of India and Thomas Cook (Mauritius) Holding Company Limited, a company incorporated in the Republic of Mauritius.

21. Events after reporting date

The Covid-19 outbreak was declared as a pandemic by the World Health Organisation and this pandemic globally is causing disturbance and slowdown of economic activity. The directors with the assistance of the holding companies have performed an assessment to determine the extent of the effects on the Company's activities and certain strategic measures have already been taken to ensure that there is no major disruption and that obligations are met as and when they fall due. The directors are closely monitoring the evolution given the high level of unpredictability and uncertainties and other measures will be taken to alleviate any potential negative effects on the Company's activities.

In addition, the decision for the sanction imposed by the Business Competition Supervisory Commission (KPPU) of Indonesia regarding the late notifications for the acquisition of shares in Asian Trails Holdings Ltd and DEI Holdings Limited, was read out on 12 April 2021. The fines payable to the Indonesian Authorities amount to Indonesian Rupiah 2 billion, equivalent to USD 137,783 at the reporting date. This is considered as an adjusting event and a provision has been made in the financial statements.

Except from the above, there has been no significant event after the reporting date which requires disclosures or amendments to the 31 March 2021 financial statements.

Gulf Dunes LLC

Financial statements

31 December 2020

Gulf Dunes LLC

Financial statements
31 December 2020

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Directors' Report

The directors submit their report together with the audited financial statements of **Gulf Dunes LLC** for the year ended 31 December 2020.

Principal activities and business review

The principal activity of the Company is organizing and managing Meetings, Incentives, Conferences, and Events (MICE).

Financial performance

The results of the Company for the year ended 31 December 2020 are stated below:

Financial highlights	**2020** **OMR**	2019 OMR
Net loss	**(11,162)**	(9,852)
Total equity	**95,319**	106,481

Representations and audit

There have been no events subsequent to 31 December 2020, which would in any way invalidate the financial statements.

The Company has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors KPMG.

On behalf of the Board

Salim Sikander
Head of Finance
DMS - Middle East

Peter Payet
CEO
DMS - Middle East

Date: 29 April 2021

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Independent Auditors' Report

To the Shareholders of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC (the Company), set out on pages 5 to 27, which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

As disclosed in the note 20 to the financial statements, CoVid-19 affects the Company and results in certain uncertainties for the future financial position and performance of the Company. Uncertainties related to the potential effects of CoVid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Company, the related disclosures and the appropriateness of the going concern assumption of the financial statements. The appropriateness of the going concern assumption depends on assessments of the future economic environment and the Company's future prospects and performance. The CoVid-19 pandemic is an unprecedented challenge for the economy globally, and at the date of this report its effects are subject to significant levels of uncertainty. We have evaluated the situation and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for a Company and this is particularly the case in relation to CoVid-19

Continued on page 3

Continued from page 2

Other Information

Management is responsible for the other information. The other information comprises the Directors' report set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Continued on page 4

Continued from page 3

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that the financial statements comply, in all material respects, with the applicable provisions of Commercial Companies Law of 2019.

29 April 2021

KPMG LLC

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Gulf Dunes LLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2020 OMR**	2019 OMR
Revenue	*5*	**5,348**	64,657
Direct costs	*6*	**(2,882)**	(56,535)
Gross profit		**2,466**	8,122
Administrative and general expenses	*7*	**(13,628)**	(26,385)
Loss before tax		**(11,162)**	(18,263)
Tax reversal	*16*	**-**	8,411
Loss for the year		**(11,162)**	(9,852)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(11,162)**	(9,852)

The notes on pages 9 to 27 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Statement of financial position

As at 31 December

	Notes	2020 OMR	2019 OMR
Assets			
Trade and other receivables	*8*	**3,326**	17,707
Due from a related party	*9*	**121,999**	108,069
Cash at bank	*14*	**5,196**	2,469
Current assets		**130,521**	128,245
Total assets		**130,521**	128,245
Equity and liabilities			
Equity			
Share capital	*12*	**150,000**	150,000
Statutory reserve	*13*	**3,292**	3,292
Accumulated losses		**(57,973)**	(46,811)
Total equity		**95,319**	106,481
Liabilities			
Employees' end of service benefits	*11*	**287**	-
Non-current liability		**287**	-
Trade and other payables	*10*	**34,803**	21,764
Due to a related party	*9*	**112**	-
Current liabilities		**34,915**	21,764
Total liabilities		**35,202**	21,764
Total equity and liabilities		**130,521**	128,245

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2020.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2021:

Director

Director

The notes on pages 9 to 27 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Gulf Dunes LLC

Statement of cash flows

For the year ended 31 December

	Notes	2020 OMR	2019 OMR
Cash flows from operating activities			
Loss for the year		**(11,162)**	(9,852)
Adjustments for:			
Charge for employees' end of service benefits	*11*	**287**	419
Tax credit	*16*	**-**	(8,411)
		(10,875)	(17,844)
Changes in:			
- trade and other receivables		**14,381**	(10,842)
- due from related parties		**(13,930)**	56,730
- trade and other payables		**13,039**	16,597
- due to related parties		**112**	(39,741)
Payments of employees' end of service benefits	*11*	**-**	(3,371)
Net cash from operating activities		**2,727**	1,529
Net increase in cash and cash equivalents		**2,727**	1,529
Cash and cash equivalents at beginning of the year		**2,469**	940
Cash and cash equivalents at end of the year	*14*	**5,196**	2,469

The notes on pages 9 to 27 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 4.

Gulf Dunes LLC

Statement of changes in equity

For the year ended 31 December

	Share Capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2019	150,000	3,292	(36,959)	116,333
Total comprehensive income for the year				
Loss for the year	-	-	(9,852)	(9,852)
At 31 December 2019	150,000	3,292	(46,811)	106,481
At 1 January 2020	150,000	3,292	(46,811)	106,481
Total comprehensive income for the year				
Loss of the year	-	-	(11,162)	(11,162)
At 31 December 2020	**150,000**	**3,292**	**(57,973)**	**95,319**

The notes on pages 9 to 27 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Reporting entity

Gulf Dunes LLC "the Company" is a limited liability company registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005 under the commercial registration no. 1/80843/5.

The Company's 70% shares are held by Gulf Dunes LLC for the beneficial interest of Travel Circle Interational Ltd. ("the Parent Company") and 30% by Hani Bin Juman Ashour Rajab. The Ultimate Parent of the Company is Fairfax Financial Holdings Limited ("the Ultimate Parent Company"), a company registered in Toronto, Ontario, Canada.

Hani Bin Juman Ashour Rajab is acting as the local sponsor under an agreement dated May 16, 2011 and receives a sponsorship fee. Hani Bin Juman Ashour Rajab has agreed not to take part in the operational and financial management of the Company.

The main business activity of the Company is organising and managing trips, conferences and meetings for groups in Sultanate of Oman.The registered office of Gulf Dunes LLC is P.O. Box no. 6655, Muscat, Sultanate of Oman.

2 Basis of accounting

a) Going concern

During the year ended 31 December 2020, the Company incurred a loss after tax of OMR 11,162 (*2019: OMR 9,582*) and as at 31 December 2020 its accumulated losses amounted to OMR 57,973 (*2019: OMR 46,811*). The conditions indicate existence of events that cast doubt on the Company's ability to continue as going concern.

The global outbreak of the COVID-19 pandemic has impacted the business, operations and financial results of the Company. Public health efforts to mitigate the impact of the pandemic include government actions such as travel restrictions, limitations on public gatherings and mandatory lockdown. These actions have impacted overall consumer, business confidence and specifically the frequent individual travelers (FIT) and leisure industry in which the Group is providing travel related services. COVID- 19 has severely impacted the entire tourism and leisure industry globally.

The cashflow forecast has been prepared taking into consideration the current financial performance of the Company's business, financial support provided by the Ultimate Parent Company, and the degree to which it is affected by external factors and other financial and non-financial information available at the time of preparation of such forecasts.

Management as part of its assessment also considered and assessed the financial results and specifically, the cash flow position subsequent to the year end. The overall objective is to maintain the liquidity position of the Company to ensure it has adequate cashflows to meet its financial obligations in the foreseeable future until the disruption on account of COVID-19 is eased. Furthermore, to maintain adequate cashflows and availability of working capital, the Ultimate Parent Company has provided a letter of support confirming that it will be providing all the necessary financial support to the Company in order to meet its working capital obligations in the foreseeable future.

Based on the above, management, Board of Directors and the Ultimate Parent Company are of the view that the Company will continue to have sufficient positive cash flows available in the foreseeable future to meet its liabilities and working capital commitments as and when they fall due in the foreseeable future. Accordingly, it is appropriate to prepare these financial statements as and for the year ended 31 December 2020 on a going concern basis.

2 Basis of accounting

a) **Going concern (continued)**

Due to the event of COVID 19 pandemic (Note 20), as the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown on both financial statements and operations. The Management has projected future cash inflows which resulted in a slowdown in operations and taking necessary cost measures needed to sustain the Company ongoing operations. Management is of the view that the future net cash inflows from operations will be sufficient for the Company to enable it to meet both its liabilities as they fall due and to carry on its business without a significant curtailment of operations in the foreseeable future. Furthermore, the shareholders have confirmed their intention to provide financial support to the Company to enable it to continue in operations and to meet its obligations as and when they fall due, for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

b) **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019.

c) **Basis of measurement**

The financial statements have been prepared under the historical cost basis.

d) **Functional and presentation currency**

These financial statements are presented in Omani Rial ("OMR"), which is the Company's functional currency.

e) **Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Significant accounting policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

Revenue from contract with customers

The Company renders a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups. Revenue from rendering these services is recognised in the profit or loss when it transfers control over a service to a customer. This is generally the case on the date of arrival.

Any expected discounts to the customers are estimated and are netted off against transaction price as per the requirements of the accounting standard.

3 Significant accounting policies (continued)

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Gulf Dunes LLC

Notes (continued)

3 Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3 Significant accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized is recognized as finance cost.

Employees' end of service benefits

The Company provides employee' end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurances Law of 1991 are recognised as an expense in the profit or loss as incurred.

Share capital

Ordinary shares are classified as equity. Balances which represent a residual interest in the net assets of the Company are presented within equity.

3 Significant accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies are translated to OMR and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to OMR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into RO using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the profit or loss except to the extent that is relates to a business combination, or items recognised directly in the equity or in other comprehensive income.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

3 Significant accounting policies (continued)

Impairment (continued)

Financial instruments (continued)

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

3 Significant accounting policies (continued)

Impairment (continued)

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3 Significant accounting policies (continued)

Leases

At inception of a contract the Company assess whether a contract is or contain a lease. A contract is or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a). The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b). The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c). The Company has the right to direct the use of the asset. The Company has this right when it has the decision -making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purpose it will be used

At inception or on assessment of a contract that contains a lease component, the Company applies, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Right of use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

3 Significant accounting policies (continued)

Leases (continued)

Lease payments in the measurement of the lease liability comprise the following:

a). fixed payments, including in-substance fixed payments.
b). variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
c). amounts expected to be payable under a residual value guarantee; and
d). the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment's that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. All the lease contracts of the Company are short term contracts hence there is no impact of adoption of IFRS 16 on the Company's financial statements.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. The Company does not expect that the adoption of these standards/amendments will have a material impact on its financial statements:

- IFRS 17 *Insurance Contracts*
- Amendments to IFRS 3: *Definition of a Business*
- Amendments to IAS 1 and IAS 8: *Definition of Material*

4 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included on note 16 of these financial statements.

Risk management framework

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables (excluding prepayments and advances to suppliers) and amounts due from a related party.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures in respect of losses that have been incurred but not yet identified. The Company's cash is placed with bank of good repute.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables (excluding advances from customers), and due to related parties. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate reserves, by continuous monitoring, forecast and actual cash flows.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and fluctuations in fair value will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to OMR, the Company does not hedge the currency risk in respect of its foreign currency exposure.

Interest rate risk

Interest rate risk is the risk of loss from fluctuations of future cash flows because of a change in market interest rates.

Other market price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. Capital requirements are prescribed by the Commercial Companies Law of 1974, as amended.

5 Revenue

The Company's revenue is generated by providing a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups.

6 Direct costs

Direct costs comprise hotel bookings, transport, visa, excursions and travel related services.

7 Administrative and general expenses

	2020	2019
	OMR	OMR
Staff salaries and benefits	**4,958**	12,084
Sponsorship fees	**6,296**	6,296
Legal and professional charges	**1,943**	3,602
Business promotion	**-**	3,904
Miscellaneous expenses	**431**	499
	13,628	26,385

7 Administrative and general expenses *(continued)*

The staff salaries and benefits comprises:

	2020 OMR	2019 OMR
Salaries and other related benefits	**4,671**	11,665
Employees' end of service benefits	**287**	419
	4,958	12,084

8 Trade and other receivables

	2020 OMR	2019 OMR
Trade receivables	**-**	14,344
Prepayments	**3,148**	3,148
Other receivables	**178**	215
	3,326	17,707

9 Related party transactions

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. Significant related party transactions during the year ended 31 December 2020 were as follows:

Transactions with related parties

	2020 OMR	2019 OMR
Services received	-	-

Due from a related party

	2020 OMR	2019 OMR
Gulf Dunes LLC, Dubai	**121,999**	108,069

Due to a related party

	2020 OMR	2019 OMR
Muscat Desert Adventures Tourism LLC	**112**	-

9.1 Related party balance is interest-free and repayable on demand.

Gulf Dunes LLC

Notes (continued)

10 Trade and other payables

	2020 OMR	2019 OMR
Advance from customers	**32,210**	20,219
Accruals and other payables	**2,593**	1,545
	34,803	21,764

11 Employees' end of service benefits

	2020 OMR	2019 OMR
Balance at 01 January	**-**	2,952
Charge for the year	**287**	419
Payments made during the year	**-**	(3,371)
Balance at 31 December	**287**	-

12 Share capital

	2020 OMR	2019 OMR
Authorised, issued and fully paid up capital		
150,000 ordinary shares of OMR 1 each	**150,000**	150,000

12.1 The authorized and fully paid up share capital of the Company is 150,000 divided into 150,000 shares of Omani Rial 1.

13 Statutory reserve

In accordance with Article 274 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid up share capital of the Company. This reserve is not available for distribution. During current year no such allocation has been made as the Company has incurred net loss for the year.

14 Cash at bank

	2020 OMR	2019 OMR
Cash at bank	**5,196**	2,469

15 Contingent liabilities

The Company had no contingent liabilities at 31 December 2020 (*2019: OMR Nil*).

16 Taxes

a) The Company is liable to income tax at the rate of 15% of taxable profits as amended by Royal Decree No.9/2017.

	2020 OMR	2019 OMR
Current year	-	-
Prior years *	-	8,411
Total tax reversal	-	8,411

Movement of provision for taxation

At 1 January	-	8,411
Provision during the year	-	-
Reversals during the year*	-	(8,411)
At 31 December	-	-

*During 2020, Taxation Authority finalized tax assessment upto Tax Year 2015 and have accepted the Company's returns as submitted. As a result, the Company is not required to pay additional tax or penalty.

Deferred tax asset on losses has not been recognized as the Company believes that sufficient taxable profits will not be generated to utilize deferred tax asset.

b) Reconciliation

The following is tax reconciliation of income taxes calculated at applicable tax rate with income tax expense:

	2020 OMR
Loss for the year	**(11,162)**
Income tax as per rates mentioned above	(1,674)
Non-deductible expenses	1,158
Deferred tax not recognized	516
Tax expense for the year	-

c) Status of the tax assessments

The Company's tax assessments for prior years have been finalized till 2015. From 2016 onwards, the tax assessment has not been finalized by the Taxation Authority. Management believes that additional taxes, if any, in respect of the open tax years would not be material to the Company's financial position at 31 December 2020.

17 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020	2019
	OMR	OMR
Trade and other receivables (excluding prepayments and advances to suppliers)	**178**	14,559
Cash at bank	**5,196**	2,469
Due from a related party	**121,999**	108,069
	127,373	125,097

The aging of trade receivables at the reporting date was:

	31 December 2020		31 December 2019	
	Gross	**Provision**	Gross	Provision
	OMR	**OMR**	OMR	OMR
Not due	**-**	**-**	9,552	-
0-30 days past due	**-**	**-**	3,567	-
31-90 days past due	**-**	**-**	1,225	-
	-	**-**	14,344	-

17 Financial instruments *(continued)*

Credit risk *(continued)*

At 31 December 2020, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2020 OMR	Carrying amount 2019 OMR
Geographical regions		
Europe	**-**	14,344
Grand total	**-**	14,344

Liquidity risk

The following are the contractual maturities of financial liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

31 December 2020	**Carrying amount OMR**	**Contractual cashflows OMR**	**1 year or less OMR**
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	**2,593**	**(2,593)**	**(2,593)**
Due to a related party	**112**	**(112)**	**(112)**
	2,705	**(2,705)**	**(2,705)**

31 December 2019	Carrying amount OMR	Contractual cashflows OMR	1 year or less OMR
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	1,545	(1,545)	(1,545)

17 Financial instruments (continued)

Market risk

Foreign exchange risk

The Company has no significant exposure to foreign currency risk as foreign currency transactions are mainly made in USD and the OMR to USD exchange rate has remained unchanged since 1986.

Interest rate risk

The Company has no borrowings and is not exposed to interest rate risk.

18 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to the short-term nature of these instruments.

Fair value hierarchy

As at 31 December 2020, there are no financial instruments carried at fair value by valuation method. Accordingly, fair value hierarchy disclosures are not applicable.

19 Use of judgments and estimates

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 19.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company.

19 Use of judgments and estimates (continued)

(b) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(c) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(d) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

20 Impact of COVID 19

The global outbreak of the Covid-19 virus has severely affected travel and the business tourism industry globally and Sultanate of Oman is no different. The extent and duration of impact remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements.

Management has implemented initiatives to mitigate the effect on the business of the Company including cost reduction by reducing the salaries of the employees and focusing on local tourism activities. While the effects of the outbreak are expected to have an adverse impact on profits and operating cash flows, management believes that the Company has sufficient financial resources available to continue to meet its financial commitments for the foreseeable future when they become due.

Muscat Desert Adventures Tourism LLC

Financial Statements
31 December 2020

Muscat Desert Adventures Tourism LLC
Financial Statements
31 December 2020

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Directors' Report

The directors submit their report together with the audited financial statements of the Company for the year ended 31st December 2020.

LEGAL STATUS

Muscat Desert Adventures Tourism LLC is a limited liability company ("the Company") registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005 under the commercial registration no. 1/80843/5. The Company is a subsidiary of Desert Adventures Tourism LLC ("the Holding Company"), a company registered in Dubai, United Arab Emirates.

The principal activity of the Company is to handle Hotel Booking, Leisure, FIT, Last Minute, Visa Processing and Transfer.

The registered office of the Muscat Desert Adventures Tourism LLC is P.O. Box No. 809, P.C.133, Al Khuwair, Sultanate of Oman.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2019 are stated below:

Financial highlights	**2020** **OMR**	2019 OMR
Net loss	**(72,214)**	(46,074)
Total equity	**(24,938)**	47,276

Representations and audit

There have been no events subsequent to 31 December 2020, which would in any way invalidate the financial statements.

The Company has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors KPMG Lower Gulf Limited.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: ___________________________

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Independent Auditors' Report

To the Shareholders of Muscat Desert Adventures Tourism LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muscat Desert Adventures Tourism LLC (the Company), set out on pages 5 to 28, which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Sultanate of Oman, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

As disclosed in the note 22 to the financial statements, CoVid-19 affects the Company and results in certain uncertainties for the future financial position and performance of the Company. Uncertainties related to the potential effects of CoVid-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Company, the related disclosures and the appropriateness of the going concern assumption of the financial statements. The appropriateness of the going concern assumption depends on assessments of the future economic environment and the Company's future prospects and performance. The CoVid-19 pandemic is an unprecedented challenge for the economy globally, and at the date of this report its effects are subject to significant levels of uncertainty. We have evaluated the situation and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for a Company and this is particularly the case in relation to CoVid-19

Continued on page 3

Continued from page 2

Other Information

Management is responsible for the other information. The other information comprises the Directors' report set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

***Auditors'* Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Continued on page 4

CR No. 1358131
Tax Card No. 8063052

Continued from page 3

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We report that the financial statements comply, in all material respects, with the applicable provisions of Commercial Companies Law of 2019.

29 April 2021

KPMG

KPMG LLC

KPMG LLC
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4th floor, Shatti Al Qurum
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Sultanate of Oman
CR.No: 1358131

Muscat Desert Adventures Tourism LLC
Statement of profit or loss and other comprehensive income
for the year ended 31 December

	Notes	**2020 OMR**	2019 OMR
Revenue	*4*	**248,132**	531,472
Cost of sales	*5*	**(226,897)**	(452,632)
Gross profit		**21,235**	78,840
Administrative and general expenses	*6*	**(104,447)**	(140,919)
Impairment loss on trade receivables	*9.1*	**(1,938)**	-
Other income	*7*	**13,924**	18,145
Operating loss		**(71,226)**	(43,934)
Finance cost - bank charges		**(988)**	(2,140)
Loss before tax		**(72,214)**	(46,074)
Tax expense	*18*	**-**	-
Loss for the year		**(72,214)**	(46,074)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(72,214)**	(46,074)

The notes on pages 9 to 28 are an integral part of these financial statements.

The independent auditors' report is set out on page 2 - 4.

Muscat Desert Adventures Tourism LLC
Statement of financial position
as at 31 December

	Notes	**2020 OMR**	2019 OMR
ASSETS			
Property and equipment	*8*	**546**	13
Non-current asset		**546**	13
Trade and other receivables	*9*	**10,411**	83,585
Due from related parties	*10*	**95,647**	138,622
Cash and cash equivalents	*15*	**17,347**	16,851
Current assets		**123,405**	239,058
Total assets		**123,951**	239,071
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*13*	**150,000**	150,000
Statutory reserve	*14*	**50,000**	50,000
Accumulated losses		**(224,938)**	(152,724)
Total equity		**(24,938)**	47,276
LIABILITIES			
Employees' end of service benefits	*12*	**6,709**	6,050
Non-current liability		**6,709**	6,050
Trade and other payables	*11*	**142,180**	185,745
Current liability		**142,180**	185,745
Total liabilities		**148,888**	191,795
Total equity and liabilities		**123,951**	239,071

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2020.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2021

Chief Executive Officer

Chief Financial Officer

The notes on pages 9 to 28 are an integral part of these financial statements.

The independent auditors' report is set out on page 2 - 4.

Muscat Desert Adventures Tourism LLC
Statement of cash flows
for the year ended 31 December

	Note	2020 OMR	2019 OMR
Cash flow from operating activities			
Loss for the year		**(72,214)**	(46,074)
Adjustments for:			
Depreciation	*8*	**136**	182
Charge for employees' end of service benefits	*12*	**659**	727
		(71,419)	(45,165)
Changes in:			
- trade and other receivables		**73,174**	(28,840)
- due from related parties		**42,975**	44,262
- trade and other payables		**(43,565)**	937
Net cash from / (used in) operating activities		**1,165**	(28,806)
Cash flow from investing activity			
Acquisition of property and equipment	*8*	**(669)**	(195)
Net cash used in investing activiy		**(669)**	(195)
Net increase / (decrease) in cash and cash equivalents		**496**	(29,001)
Cash and cash equivalents at beginning of the year		**16,851**	45,852
Cash and cash equivalents at the end of the year	*15*	**17,347**	16,851

The notes on pages 9 to 28 are an integral part of these financial statements.

The independent auditors' report is set out on page 2-4.

Muscat Desert Adventures Tourism LLC
Statement of changes in equity
for the year ended 31 December 2020

	Share capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2019	150,000	50,000	(106,650)	93,350
Total comprehensive income for the year				
Loss for the year	-	-	(46,074)	(46,074)
At 31 December 2019	150,000	50,000	(152,724)	47,276
At 1 January 2020	150,000	50,000	(152,724)	47,276
Total comprehensive income for the year				
Loss for the year	-	-	(72,214)	(72,214)
At 31 December 2020	**150,000**	**50,000**	**(224,938)**	**(24,938)**

The notes on pages 9 to 28 form an integral part of these financial statements.

1 Reporting entity

Muscat Desert Adventures Tourism LLC is a limited liability company ("the Company") registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005 under the commercial registration no. 1/80843/5. The Company is 70% owned subsidiary of Desert Adventures Tourism LLC ("the Holding Company"), a company registered in Dubai, United Arab Emirates and 30% shares are held by a local partner namely Hani Bin Juman Ashour Rajab who has agreed not to take part in the operational and financial management of the Company and has confirmed that these shares are held for the beneficial interest of the Company.

The principal business activity of the Company is providing travel and tourism related services. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

The registered office of Muscat Desert Adventures Tourism LLC is P.O. Box No. 809, P.C.133, Al Khuwair, Sultanate of Oman.

The ultimate parent of the Company is Fairfax Financial Holdings Limited (the Ultimate Parent Company) with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

2 Basis of accounting

a) Going concern

During the year ended 31 December 2020, the Company incurred a loss after tax of OMR 72,214 *(2019: OMR ,46,074)* and as at 31 December 2020 its accumulated losses amounted to OMR 224,938 *(2019: OMR 152,724)*. The conditions indicate existence of events that cast doubt on the Company's ability to continue as going concern.

The global outbreak of the COVID-19 pandemic has impacted the business, operations and financial results of the Company. Public health efforts to mitigate the impact of the pandemic include government actions such as travel restrictions, limitations on public gatherings and mandatory lockdown. These actions have impacted overall consumer, business confidence and specifically the frequent individual travelers (FIT) and leisure industry in which the Group is providing travel related services. COVID- 19 has severely impacted the entire tourism and leisure industry globally.

The cashflow forecast has been prepared taking into consideration the current financial performance of the Company's business, financial support provided by the Ultimate Parent Company, and the degree to which it is affected by external factors and other financial and non-financial information available at the time of preparation of such forecasts.

Management as part of its assessment also considered and assessed the financial results and specifically, the cash flow position subsequent to the year end. The overall objective is to maintain the liquidity position of the Company to ensure it has adequate cashflows to meet its financial obligations in the foreseeable future until the disruption on account of COVID-19 is eased. Furthermore, to maintain adequate cashflows and availability of working capital, the Ultimate Parent Company has provided a letter of support confirming that it will be providing all the necessary financial support to the Company in order to meet its working capital obligations in the foreseeable future.

Based on the above, management, Board of Directors and the Ultimate Parent Company are of the view that the Company will continue to have sufficient positive cash flows available in the foreseeable future to meet its liabilities and working capital commitments as and when they fall due in the foreseeable future. Accordingly, it is appropriate to prepare these financial statements as and for the year ended 31 December 2020 on a going concern basis.

b) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the requirements of the Commercial Companies Law of 2019.

2 Basis of accounting (continued)

c) Basis of measurement

The financial statements have been prepared on the historical cost basis.

d) Functional and presentation currency

The financial statements are presented in Omani Rial ("OMR"), which is the Company's functional currency.

e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognized in these financial statements are disclosed in note 21.

3 Significant accounting policies

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements.

Revenue

The Company renders a wide range of tourism and related services.

Revenue includes hotel accommodation, transfers, visa services and other tourism and travel related services. The revenue from rendering these services is recognized in profit or loss at the fair value of the consideration received or receivable.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
- **Tourism & related services** including: - Hotel accommodation - Visas - Transfers - Meet and greet and. - Excursions	Control of travel related services is considered transferred to customer at the travel in date i.e. in case of: - Visas at the date of issuance. - Hotel accommodation on the date hotel check in. - Transfers on the date of arrival. - Meet and greet on the date of arrival; and - Excursions on the date excursions Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

3 Significant accounting policies (continued)

Revenue (continued)

Tour Packages	The services above are also sold as a combined tour package to travelers. In case of a combined tour package, entire package is generally considered as a single performance obligation. The combination of separate services in a combined tour package is considered significant integration and revenue for the entire tour package is recognized at the time of travel in date. Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies (continued)

Financial instruments (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Classification and subsequent measurement

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

3 Significant accounting policies (continued)

Financial instruments (continued)

Derecognition

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency transactions

Transactions in foreign currencies are translated to OMR at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to OMR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into OMR using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the profit or loss as incurred.

Depreciation

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives for the current year and prior years are as follows:

	Years
Motor vehicles	4
Office equipment	2 - 5
Office furniture and installations	5

The depreciation method and useful lives, as well as estimates of residual lives, are reassessed annually.

3 Significant accounting policies (continued)

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default.
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3 Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor.
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise.
- indications that a debtor or issuer would enter bankruptcy.
- adverse changes in the payment status of borrowers or issuers.
  observable data indicating that there was a measurable decrease in the expected cash flows from a Company of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

3 Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Provisions

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Employees' end of service benefits

Employees' end of service benefits is accrued in accordance with the terms of employment of the Company's employees at the reporting date, having regard to the requirements of IFRS and the Oman Labor Law 2003 and its amendments.

Employee entitlements to annual leave and leave passage are recognized when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in liabilities.

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognized in the profit or loss except to the extent that it relates to a business combination, or items recognized directly in the equity or in other comprehensive income.

Current tax (refer to note 18) is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Intercompany recharges

Intercompany expenses are recharged to related parties at arm's length price. Charges mainly includes Salaries and Other Admin expense including IT system cost as paid by / charged to the Company.

3 Significant accounting policies (continued)

Leases

At inception of a contract the Company assess whether a contract is or contain a lease. A contract is or contains, a lease if contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a). The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

b). The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c). The Company has the right to direct the use of the asset. The Company has this right when it has the decision -making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purpose it will be used

At inception or on assessment of a contract that contains a lease component, the Company applies, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Right of use asset

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

a). fixed payments, including in-substance fixed payments.

b). variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

c). amounts expected to be payable under a residual value guarantee; and

d). the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

3 Significant accounting policies (continued)

Leases (continued)
When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of equipment's that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. All the lease contracts of the Company are short term contracts hence there is no impact of adoption of IFRS 16 on the Company's financial statements.

Contract assets
The contract assets are recognized for the Company's rights to consideration for services provided to the customer but not billed at the reporting date. The amount is netted with the expected credit losses, if any. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customers.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines.

	2020 OMR	2019 OMR
Tourism and related services	**247,989**	513,071
Tour packages	**-**	17,255
Hotel commissions	**143**	1,146
	248,132	531,472

5 Cost of sales

	2020 OMR	2019 OMR
Tourism and related services	**226,761**	438,293
Tour packages	**-**	14,157
Depreciation expense (refer note 8)	**136**	182
	226,897	452,632

6 Administrative and general expenses

	2020 OMR	2019 OMR
Staff salaries and related benefits (i)	**69,471**	86,062
Rent and utilities expense	**20,385**	20,840
Motor vehicle expense	**5,453**	17,301
Promotion and business expense	**867**	7,112
Government and legal fees	**7,920**	6,889
Advertising and office supplies	**351**	2,715
	104,447	140,919

(i) The staff salaries and related benefits comprises:

	2020 OMR	2019 OMR
Staff salaries and wages	**53,607**	77,284
Other staff benefits	**15,205**	8,051
End of service benefits *(refer note 12)*	**659**	727
	69,471	86,062

7 Other income

	2020 OMR	2019 OMR
Head office recharges *(refer note 10)*	**13,890**	18,049
Foreign exchange gain	**34**	96
	13,924	18,145

8 Property and equipment

	Motor vehicle OMR	Office equipment OMR	Office furniture and installations OMR	Total OMR
Cost				
At 1 January 2019	101,574	21,345	23,869	146,788
Addition	-	195	-	195
Disposal / write off	-	(16,329)	(7,690)	(24,019)
As at 31 December 2019	101,574	5,211	16,179	122,964
At 1 January 2020	101,574	5,211	16,179	122,964
Additions	-	-	669	669
As at 31 December 2020	101,574	5,211	16,848	123,633
Depreciation				
As at 1 January 2019	101,574	21,345	23,869	146,788
Charge for the year	-	182		182
Disposal / write off	-	(16,329)	(7,690)	(24,019)
As at 31 December 2019	101,574	5,198	16,179	122,951
As at 1 January 2020	101,574	5,198	16,179	122,951
Charge for the year	-	13	123	136
As at 31 December 2020	101,574	5,211	16,302	123,087
Net book value				
At 31 December 2020	**-**	**-**	**546**	**546**
At 31 December 2019	-	13	-	13

9 Trade and other receivables

	2020 OMR	2019 OMR
Trade receivables	**6,948**	41,382
Provision for impairment loss on trade receivables (refer note 9.1)	**(6,948)**	(5,010)
	-	36,372
Advances to suppliers	**-**	35,743
Prepayments	**1,811**	2,693
Deposits	**8,600**	8,600
Other receivables	**-**	177
	10,411	83,585

9.1 Provision for impairment loss on trade receivables

The movement in the provision for impairment loss on trade receivables during the year was as follows:

	2020 OMR	2019 OMR
As at 1 January	**5,010**	5,010
Charge during the year	**1,938**	-
As at 31 December 2020	**6,948**	5,010

10 Related parties

Related parties, within the definition of a related party contained in International Accounting Standard 24, represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Such transactions are on terms and conditions mutually agreed.

Significant transactions entered with related parties during the year were:

	2020 OMR	2019 OMR
Revenue from related parties	**-**	16,560
Intercompany recharges (refer note 7)	**13,890**	18,049

Intercompany recharges represent amounts recharged to Desert Adventures Tourism L.L.C. Jordan and from Gulf Dunes LLC for the shared staff.

Due from related parties

	2020 OMR	2019 OMR
Desert Adventures Tourism L.L.C. – Dubai	**92,857**	138,622
Gulf Dunes Tourism LLC - Dubai	**112**	-
Desert Adventures Tourism - Jordan	**2,678**	-
	95,647	138,622

The key management personnel compensation is as follows:

	2020 OMR	2019 OMR
Short-term employee benefits	**13,890**	18,621
End of service benefits	-	**-**

11 Trade and other payables

	2020 OMR	2019 OMR
Trade payables	**74,968**	1,430
Advances from customers	**26,445**	64,128
Accruals and other payables		
- Hotel and other service accruals	**28,158**	110,121
-Employee accruals	**6,610**	8,210
-Other payables	**5,999**	1,856
	142,180	185,745

12 Employees' end of service benefits

	2020 OMR	2019 OMR
At 1 January 2020	**6,050**	5,323
Charge for the year	**659**	727
At 31 December 2020	**6,709**	6,050

13 Share capital

	2020 OMR	2019 OMR
Authorised, and fully paid up capital		
150,000 shares of OMR 1 each	**150,000**	150,000

14 Statutory reserve

In accordance with Article 274 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid-up share capital of the Company. The reserve has reached its legally required limit. This reserve is not available for distribution.

15 Cash and cash equivalents

	2020 OMR	2019 OMR
Cash at bank	**17,335**	11,038
Cash in hand	**12**	5,813
	17,347	16,851

16 Contingencies

Guarantees amounting to OMR 5,000 *(2019: OMR 5,000)* were issued in favor of the Company by Bank of Muscat. These were issued during the normal course of business.

17 Commitments

The Company does not have any commitments as at 31 December 2020 *(2019: OMR Nil).*

18 Taxes

a) The Company is liable to income tax at the rate of 15% of taxable profits as amended by Royal Decree No.9/2017.

	2020 **OMR**	2019 OMR
Current year	**-**	-
Prior years	**-**	-
Total tax expense for the year	**-**	-

Reconciliation of tax expense

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rates with the income tax expense for the year:

	2020 **OMR**	2019 OMR
Loss for the year	**(72,214)**	(46,074)
Income tax at 15%	**(10,832)**	(6,911)
Non-deductible expenses	**977**	355
Unrecorded deferred tax asset on tax losses	**9,855**	6,556
Taxable expense for the year	**-**	**-**

Deferred tax asset has not been recognized on losses as the management believes that sufficient taxable profits will not be available in future.

Status of assessment

The tax returns of the Company for the years 2017 to 2019 has not yet assessed by the Secretariat General for Taxation at the Ministry of Finance. Management is of the opinion that any additional taxes, if any, related to the open years would not be significant to the Company's financial position as at 31 December 2020.

19 Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk.
- Liquidity risk; and
- Market risk.

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020	2019
	OMR	OMR
Trade and other receivables *(excluding advances to suppliers and prepayments)*	**8,752**	45,149
Due from related parties	**95,647**	138,622
Cash at bank	**17,335**	11,038
	121,734	194,809

19 Financial risk management *(continued)*

Credit risk *(continued)*

At 31 December 2020, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Gross amount 2020 OMR	Gross amount 2019 OMR
Geographical regions		
Europe	**6,211**	30,360
Middle East	**168**	7,048
Others	**569**	3,974
Grand total	**6,948**	41,382

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2020 OMR	Credit impaired 2020 OMR	Not credit-impaired 2019 OMR	Credit impaired 2019 OMR
Not yet due	**-**	**-**	12,049	-
1-30 days	**-**	**-**	22,812	-
31- 90 days	**-**	**-**	1,511	-
91- 120 days and above	**6,948**	**(6,948)**	5,010	(5,010)
Total	**6,948**	**(6,948)**	41,382	(5,010)

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2020.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Exposure is segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP.

19 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows.

The following are the contractual maturities of financial liabilities based on contractual payments:

2020	**Carrying Amount OMR**	**Contractual cash out flows OMR**	**1 year or less OMR**
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	**115,735**	**(115,735)**	**(115,735)**
	======	=======	=======

2020	**Carrying Amount OMR**	**Contractual cash out flows OMR**	**1 year or less OMR**
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	121,617	(121,617)	(121,617)
	======	=======	=======

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to OMR, the Company does not hedge the currency risk in respect of its foreign currency exposure.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to shareholders. The Company is not subject to externally imposed capital requirements.

20 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy

As at 31 December 2020, there are no financial instruments carried at fair value by valuation method. Accordingly, fair value hierarchy disclosures are not applicable.

21 Use of judgments and estimates

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 19.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company in the above areas is set out in note 19.

(b) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(c) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(d) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

22 Impact of COVID 19

The global outbreak of the Covid-19 virus has severely affected travel and the business tourism industry globally and Sultanate of Oman is no different. The extent and duration of impact remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements.

22 Impact of COVID 19 (continued)

Management has implemented initiatives to mitigate the effect on the business of the Company including cost reduction by reducing the salaries of the employees and focusing on local tourism activities. While the effects of the outbreak are expected to have an adverse impact on profits and operating cash flows, management believes that the Company has sufficient financial resources available to continue to meet its financial commitments for the foreseeable future when they become due.

DESERT ADVENTURES TOURISM (PRIVATE SHAREHOLDING COMPANY) AMMAN – JORDAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN
FOR THE YEAR ENDED DECEMBER 31, 2020

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DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF FINANCIAL POSITION

In Jordanian dinar	Note	As of December 31, **2020**	2019
Assets			
Cash and cash equivalents	5	**14,660**	466,717
Trade receivables and other debit balances	6	**368,623**	2,294,242
Deferred tax asset	9	-	-
Due from related parties	10.2	**482,877**	-
Current assets		**866,160**	2,760,959
Property and equipment	7	**15,710**	27,978
Non-Current assets		**15,710**	27,978
Total assets		**881,870**	2,788,937
Owners' Equity and Liabilities			
Owners' Equity			
Paid up capital		**100,000**	100,000
Statutory reserve	11	**25,000**	25,000
Retained earnings		**241,269**	372,830
Net Owners' Equity		**366,269**	497,830
Liabilities			
Lease liability		**-**	5,194
Non-current liability		**-**	5,194
Trade payables and other credit balances	8	**481,281**	2,014,414
Due to related parties	10.1	**4,932**	214,093
Income tax provision	9	**24,208**	42,046
Lease liability		**5,180**	15,360
Current liabilities		**515,601**	2,285,913
Total Liabilities		**515,601**	2,291,107
Total Owners' Equity and Liabilities		**881,870**	2,788,937

The Company initially applied IFRS 16 at 1 January 2020, using the modified retrospective approach. Under this approach, comparative information has not been restated and the right-of-use asset is measured at an amount equal to the lease liability.

The notes on pages (7) to (31) are an integral part of these financial statements.

The financial statements on pages (3) to (31) were approved by the Board of Director on______________.

Chairman of Board of Directors **Financial Manager** **General Manager**

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Jordanian dinar		**For the year ended December 31,**	
	Note	**2020**	2019
Revenue	12	**1,538,228**	6,530,528
Cost of revenue	12	**(1,443,372)**	(5,801,384)
Gross profit		**187,017**	729,144
Administrative expenses	13	**(201,061)**	(520,119)
Impairment loss on trade receivables	6	**(758)**	(1,584)
Marketing and advertisement expenses		**-**	(3,944)
Profit from operations		**(106,963)**	203,497
Finance cost		**(390)**	(523)
Profit before income tax		**(107,353)**	202,974
Income tax			
Current tax expense	9	**(24,208)**	(42,625)
Deferred tax income	9	**-**	-
Reversal of Tax provision		**-**	(46,015)
Reversal of Deferred Tax Asset		**-**	160,176
Profit for the year		**(131,561)**	160,176
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(131,561)**	160,176

The Company initially applied IFRS 16 at 1 January 2020, using the modified retrospective approach. Under this approach, comparative information has not been restated and the right-of-use asset is measured at an amount equal to the lease liability.

The notes on pages (7) to (31) are an integral part of these financial statements.

The financial statements on pages (3) to (31) were approved by the Board of Director on___________.

Chairman of Board of Directors **Financial Manager** **General Manager**

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CHANGES IN OWNERS' EQUITY

In Jordanian dinar	**Paid up Capital**	**Retained earnings**	**Statutory reserve**	**Total**
Changes for the year ended December 31, 2020				
Balance at January 1, 2020	100,000	372,830	25,000	497,380
Total comprehensive income for the year	-	(131,561)	-	131,561
Balance as of December 31, 2020	**100,000**	**241,269**	**25,000**	**366,269**
Changes for the year ended December 31, 2019				
Balance at January 1, 2019	100,000	212,654	25,000	337,654
Total comprehensive income for the year	-	160,176	-	160,176
Balance as of December 31, 2019	100,000	372,830	25,000	497,380

The Company initially applied IFRS 16 at 1 January 2020, using the modified retrospective approach. Under this approach, comparative information has not been restated and the right-of-use asset is measured at an amount equal to the lease liability.

The notes on pages (7) to (31) are an integral part of these financial statements

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CASH FLOWS

		For the year ended December 31,	
In Jordanian dinar	Note	**2020**	2019
Cash flows from operating activities			
Profit for the year after income tax		**(131,561)**	160,176
Adjustments for :			
Current tax expense	9	**24,208**	42,798
Deferred tax	9	**-**	-
Finance costs		**390**	523
Depreciation expense	7	**13,998**	9,795
		(92,965)	213,292
Changes in :			
Trade receivables and other debit balances		1,925,619	(1,093,646)
Trade payables and other credit balances		**(1,533,133)**	838,293
Due to related parties		**(209,161)**	218,163
Due from related parties		**(482,877)**	148,376
Tax paid		**(42,046)**	(32,117)
Net cash from operating activities		**(434,563)**	292,361
Cash flows from investing activity			
Acquisition of property and equipment	7	**(1,744)**	(8,511)
Net cash used in investing activity		**(1,744)**	(8,511)
Cash flows from financing activity			
Payment of lease liability		**(15,750)**	(7,000)
Net cash used in financing activity		**(15,750)**	(7,000)
Net increase / (decrease) in cash and cash equivalents		**(452,057)**	276,850
Cash and cash equivalents at the beginning of the year		**466,717**	189,867
Cash and cash equivalents at the year end	5	**14,660**	466,717

The Company initially applied IFRS 16 at 1 January 2020, using the modified retrospective approach. Under this approach, comparative information has not been restated and the right-of-use asset is measured at an amount equal to the lease liability.

The notes on pages (7) to (31) are an integral part of these financial statements

1. GENERAL

Desert Adventures Tourism PSC was incorporated on 16 September 2010 as a Private Shareholding Company in the Hashemite Kingdom of Jordan, under number (767), with a paid up capital of JD 100,000, divided into 100,000 shares, distributed as the below schedule. The Company's parent Company is Desert Adventures Tourism LLC (Dubai) and the Ultimate Parent of the Company is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

The shareholding in the Company was as follows:

Shareholder	Share
Desert Adventures Tourism LLC (Dubai)	50%
Loai Khalid Ahmed Najdawi	50%

The principal business activity of the Company is organizing leisure and individual business tours. The Company secures access to hotel accommodation and other activities and services from hotels and other service providers at competitive rates which are offered at preferential rates to tour operators, travel agents and other wholesalers.

The registered address of the Company is Amman – Mecca Street, Jordan.

Loai Khalid Ahmed Najdawi is holding these shares for the beneficial interest of the Parent Company. The financial statements were authorised and approved by the Board of Director on_______________.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

This is the first set of the Company's annual financial statements in which IFRS 16 – Leases has been applied. Changes to significant accounting policies are described in note 3.

(b) Basis of measurement

The financial statements have been prepared at historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Jordanian Dinar, which is also the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is summarized as follows:

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgments (continued)

- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the company (if any), based on a legal study prepared by the Company's management advisors. This study highlights potential risks that the Company may incurred in the future.
- Management estimates the recoverable amount of the other financial assets to determine whether there was any impairment in its value.
- A provision for impairment loss on trade receivables is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (Refer note 18).
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.
- Management applies judgment in identifying distinct performance obligation and recognition of revenue. (Refer note 18).
- Fair value hierarchy:

  The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Management believes that its estimates and judgments are reasonable and adequate.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has applied IFRS 16 using modified retrospective approach under which ROU assets, related lease liabilities and other relevant adjustments in related assets and liabilities have been recorded without having any impact on retained earnings as at 1 January 2020. Accordingly, the comparative information presented for 2019 is not restated i.e it is presented as previously reported under IAS 17 and related interpretations. The details of the changes in significant accounting policies are discussed below. Additionally the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Definition of a Lease

Previously, the Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4 Determining whether an arrangement contains lease. Under IFRS 16, the Company assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 4.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2020.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet except where the Company has decided to apply recognition exemption to leases that have lease term of 12 months or less and leases of low value assets.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The Company made the following adjustments on transition:

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17. On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, as at 1 January 2020. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company has assessed its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Did not recognize right-of-use assets and liabilities for lease of low value assets.

Impact on financial statements

On transition to IFRS 16, the Company recognised additional right-of-use assets and additional lease liabilities, the impact on transition is summarised below.

In JOD	**1 January 2020**
Right of use asset (note 7)	**27,032**
Lease liabilities	**27,032**

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate of 3.25% at 1 January 2020.

The factors considered in determination of incremental borrowing rate are: term of the lease, Company specific rate, the amount of fund involved, nature and quality of leased assets, jurisdiction of the lease contract, and the time at which the lease is expiring/maturing.

In Jordanian dinar	**1 January 2020**
Operating lease commitments at 31 December 2019 as disclosed under IAS 17	**28,000**
Discounted using the incremental borrowing rate at 1 January 2020	**(968)**
Lease liabilities recognised as at 1 January 2020	**27,032**

4. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements except for the effect of changes to significant accounting policies are described in note 3.

Revenue

The Company renders a wide range of tourism and related services.

Revenue includes hotel accommodation, transfers, visa services and other tourism and travel related services. The revenue from rendering these services is recognized in profit or loss at the fair value of the consideration received or receivable.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
- **Tourism & related services** including: - Hotel accommodation - Visas - Transfers - Meet and greet and; - Excursions	Control of travel related services is considered transferred to customer at the travel in date i.e. in case of: - Visas at the date of issuance; - Hotel accommodation on the date hotel check in; - Transfers on the date of arrival; - Meet and greet on the date of arrival; and - Excursions on the date excursions Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.
Tour Packages	The services above are also sold as a combined tour package to travelers. In case of a combined tour package, entire package is generally considered as a single performance obligation. The combination of separate services in a combined tour package is considered significant integration and revenue for the entire tour package is recognized at the time of travel in date. Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating lease

Policy applicable before 1 January 2020

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities(continued)

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency transactions

Transactions in foreign currencies are translated to Jordanian Dinar (JD) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to JD at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into JD using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the profit or loss as incurred.

Depreciation

Items of property and equipment are depreciated on a straight-line basis in the statement of profit or loss and other comprehensive income over the estimated useful lives of each component.

Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated deprecation rates of property and equipment for the current and previous year are as follows:

Property and equipment	Depreciation rate
	%
Office Decoration and Accessories	15
Office Equipment	35
Furniture and Fixture	15

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

Intangible assets, including software, operating licenses and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses if any.

Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives for current and comparative is 5 years.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-derivative financial assets – (continued)

Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-derivative financial assets – (continued)

Financial instruments (continued)

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a Company of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-derivative financial assets – (continued)

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or 17mortization, if no impairment loss had been recognized.

Provisions

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognized in the profit or loss except to the extent that it relates to a business combination, or items recognized directly in the equity or in other comprehensive income.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Intercompany recharges

Intercompany expenses are recharged to related parties at arm's length price. Charges mainly includes Salaries and Other Admin expense including IT system cost as paid by / charged to the Company.

Contract assets

The contract assets are recognized for the Company's rights to consideration for services provided to the customer but not billed at the reporting date. The amount is netted with the expected credit losses, if any. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customers.

Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Policy applicable from 1 January 2020

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Policy applicable from 1 January 2020 (continued)

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

• Amendments to References to Conceptual Framework in IFRS Standards.
• Definition of a Business (Amendments to IFRS 3).
• Definition of Material (Amendments to IAS 1 and IAS 8).
• IFRS 17 Insurance Contracts.

5. CASH AND CASH EQUIVALENTS

	As of December 31,	
In Jordanian dinar	**2020**	2019
Cash on hand	**12,036**	18,747
Cash at bank	**2,624**	447,970
	14,660	466,717

6. TRADE RECEIVABLES AND OTHER DEBIT BALANCES

	As of December 31,	
In Jordanian dinar	**2020**	2019
Trade receivables	**2,236**	510,312
Provision for expected credit loss *	**(758)**	(1,584)
	1478	508,728
Advances to suppliers	**325,939**	1,753,913
Prepaid expenses and other debit balances	**16,206**	6,601
Cash margins	**25,000**	25,000
	368,623	2,294,242

6. TRADE RECEIVABLES AND OTHER DEBIT BALANCES (CONTINUED)

*The following table illustrates the movement on the provision for expected credit loss:

Jordanian Dinar	As of December 31, 2020	2019
Balance at the beginning of the year		-
Provision for expected credit loss		1,584
Balance at the end of the year		

7. PROPERTY AND EQUIPMENT

In Jordanian dinar	Office Premises	Office Equipment	Furniture and Fixture	Total
Cost				
Balance at January 1, 2019	-	3,703	11,851	15,554
Additions	-	8,282	229	8,511
Recognition of right-of-use asset on initial application of IFRS 16	27,032	-	-	27,032
Balance at December 31, 2019	**27,032**	**11,985**	**12,080**	**51,097**
Balance at January 1, 2020	27,032	11,985	12,080	51,097
Additions	-	144	1,600	1,744
Recognition of right-of-use asset on initial application of IFRS 16	-	-	-	-
Disposal	(10)	-	-	(10)
Balance at December 31, 2020	**27,022**	**12,129**	**13,680**	**52,831**
Accumulated Depreciation				
Balance at January 1, 2019	-	1,473	11,851	13,324
Depreciation for the year	7,603	2,175	17	9,795
Balance at December 31, 2019	**7,603**	**3,648**	**11,868**	**23,119**
Balance at January 1, 2020	7,603	3,648	11,868	23,119
Depreciation for the year	10,129	3,595	274	13,998
Balance at December 31, 2020	**17,732**	**7,243**	**12,142**	**37,117**
Net book value as at December 31, 2019	19,429	8,337	212	27,978
Net book value as at December 31, 2020	**9,290**	**4,886**	**1,538**	**15,714**

8. TRADE PAYABLES AND OTHER CREDIT BALANCES

In Jordanian dinar	As of December 31,	
	2020	2019
Hotels and excursion payables	**92,046**	1,780,236
Trade payables	**246,569**	164,937
Advances from customers	**119,038**	37,929
Accrued expenses	**23,628**	31,312
	481,281	2,014,414

9. INCOME TAX

In Jordanian dinar	As of December 31,	
	2020	2019
Current tax expense		
Current year	**-**	42,625
Change in estimate relating to prior years	**24,208**	173
Income tax expense for the current year	**24,208**	42,798
Deferred tax credit		
Recognition of deferred tax asset related to unused tax losses	**-**	-
Income tax for the year	**24,208**	42,798
Reconciliation of effective tax rate		
Profit before tax	**(131,561)**	202,974
Taxable profit for the current year	**(131,561)**	202,974
Tax rate effective during the year	**21%**	21%
Tax expense	**(27,628)**	42,625
(Over) / under provision in prior years	**24,208**	173
Recognition of deferred tax asset related to unused tax losses	**-**	-
Deferred tax not booked	**27,628**	-
Net tax expenses recognized in profit or loss	**24,208**	42,798

The movement on income tax provision during the year was as follows:

In Jordanian dinar	As of December 31,	
	2020	2019
Balance at the beginning of the year	**42,046**	77,380
Provision for the year	**24,208**	42,798
Utilization of deferred tax asset	**-**	(46,015)
Tax paid during the year	**(42,046)**	(32,117)
Balance at the end of the year	**24,208**	42,046

9. INCOME TAX (CONTINUED)

The movement on the deferred tax asset during the year was as follows:

In Jordanian dinar	**Tax losses carried forward**
Cost	
Balance at January 1, 2019	-
Recognition of previously unrecognized tax losses (i)	-
Balance at December 31, 2019	-
Balance at January 1, 2020	-
Recognition of previously unrecognized tax losses (i)	-
Utilization of deferred tax asset	-
Balance at December 31, 2020	-

Tax status of the Company is as follow:

(i) The Company filed its income tax returns on timely basis for the years 2016, 2017 and 2019 and they were not assessed by the income tax department until the date of these financial statements.

10. RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent parent and affiliate companies, directors and key management personnel of the Company.

The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard No. 24. Such transactions are made on terms and conditions agreed between the related parties

10-1) DUE TO RELATED PARTES

		As of December 31,	
In Jordanian dinar	**Nature of relationship**	**2020**	2019
Desert Adventures Tourism L.L.C.*	Parent Company	**-**	214,093
Muscat Desert Adventures LLC	Associated Company	**4,932**	-
		4,932	214,093

*There is no interest payable on the Company to be paid to the Parent Company over this amount, nor a year obligation for this amount to be paid back to the Parent Company.

10-2) DUE FROM RELATED PARTIES

		As of December 31,	
In Jordanian dinar	**Nature of relationship**	**2020**	2019
Desert Adventures Tourism L.L.C.*	Parent Company	**482,877**	**-**
SOTC travel limited	Fellow subsidiary	**-**	**-**
		482,877	**-**

*There is no interest receivable on the Company to be received from the Parent Company over this amount.

10-3) TRANSACTIONS WITH RELATED PARTIES

Transaction terms and pricing policies are approved by management. Transactions included in the statement of profit or loss and other comprehensive income are as the below:

For the year ended 31 December 2020

Jordanian Dinar	**Relationship**	**Expenses**
Muscat Desert Adventures Tourism LLC	Related through common ownership	**25,416**
Desert Adventures Tourism LLC	Ultimate Parent Company (refer note 10.2)	**115,201**

For the year ended 31 December 2019

Jordanian Dinar	**Relationship**	**Expenses**
Muscat Desert Adventures Tourism LLC	Related through common ownership	**35,443**
Desert Adventures Tourism LLC	Ultimate Parent Company (refer note 10.2)	**230,401**

Management fee represents the amount charged for the central functions which is allocated based on financial and non-financial basis.

11. STATUTORY RESERVE

The accumulated amount in this account represents 10% of annual net profit before income tax, which has been deducted during the previous years and in the current year, in accordance to the article number (85) of the Jordanian companies law number (22), 1997 which state that: "the private share holding companies should reserve 10% of its annual net income to the statutory account, and it shall maintain reserving every year at any percentage not exceeding 25% of its capital".

12. REVENUE AND COST OF REVENUE

	For the year ended December 31, 2020		
In Jordanian dinar	**Revenue**	**Cost of revenue**	**Gross profit**
Tourism Group Revenue (Hotels)	**1,256,593**	**1,189,316**	**67,276**
Excursions, transfers and other revenue	**281,635**	**254,055**	**27,580**
	1,538,228	**1,443,372**	**94,856**

	For the year ended December 31, 2019		
In Jordanian dinar	**Revenue**	**Cost of revenue**	**Gross profit**
Tourism Group Revenue (Hotels)	5,342,289	(4,833,6	508,642
Excursions, transfers and other revenue	1,188,239	(967,737)	220,502
	6,530,528	(5,801,384)	729,144

13. ADMINISTRATIVE EXPENSES

In Jordanian dinar	For the year ended December 31,	
	2020	2019
Management fee	**48,456**	266,948
Staff salaries and related benefits	**89,410**	157,004
Social security	**14,163**	17,787
Office expenses	**8,008**	12,426
Depreciation (refer note 7)	**13,998**	9,795
Legal and professional fees	**7,088**	8,392
Travel	**-**	4,084
Rent	**-**	2,588
Others	**19,938**	41,095
	201,061	520,119

14. LEASES

The Company has leased office area. The lease period is for 32 months. Previously, this lease was classified as operating lease under IAS 17.

i. Right-of-use-assets

Right of use assets related to leased properties are presented as property and equipment (see note 7).

In Jordanian Dinar	Office premises	Total
2020		
Balance as at 1 January	19,429	**19,429**
Depreciation charge for the year	10,129	**10,129**
Disposal	(10)	**(10)**
Balance as at 31 December	9,290	**9,290**

ii. Amounts recognised in Statement of Profit or loss

In Jordanian Dinar	2020
2020 - Leases under IFRS 16	
Interest on lease liability	**390**
Depreciation charged right of use	**10,129**

iii. Lease liability

In Jordanian Dinar	2020
Lease liability	**5,180**
Less: current portion	**5,180**
Non-current lease liability	**-**

15. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and

- Market risk.

15. FINANCIAL RISK MANAGEMENT

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amount due from a related party.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In Jordanian dinar	As of December 31,	
	2020	2019
Trade and other receivables *	**368,623**	538,008
Due from related parties	**482,877**	-
Cash at bank	**14,660**	447,970
	866,160	985,978

* Prepayments and advances are excluded.

At 31 December 2020, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

In Jordanian Dinar	As of December 31,	
	2020	2019
Geographical regions		
Common Wealth of Independent States	**-**	286,237
Middle East	**782**	151,153
Europe	**1454**	67,331
Others	**-**	5,591
Grand total	**2,236**	510,312

15. FINANCIAL RISK MANAGEMENT

Credit risk (continued)

The ageing of trade receivables at the reporting date was:
Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2020.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2020.

	Gross carrying amount	**Loss allowance JOD**	**Credit impaired**
0-59 days	**-**	**-**	**No**
60-89 days	**-**	**-**	**No**
90- 120 days	**2,236**	**758**	**Yes**
Total	**2,236**	**758**	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Exposure is segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains line of credit from its bank for sudden cash requirements.

The following are the contracted maturities of financial liabilities, including estimated interest payments:

Non-derivative financial liabilities:

In Jordanian dinar	**Carrying value**	**Contractual Cash flows**	**12 Month or Less**	**More than one year**
As of December 31, 2020				
Trade payables and other credit balances (excluding advances)	**386,451**	**386,451**	**(386,451)**	-
Due to related parties	**4,932**	**4,932**	**(4,932)**	-
Lease liability	**5,180**	**5,180**	**(5,180)**	-
	396,563	**396,563**	**(396,563)**	-

In Jordanian dinar	**Carrying value**	**Contractual Cash flows**	**6 Month or Less**	**More than one year**
As of December 31, 2019				
Trade payables and other credit balances (excluding advances)	1,976,485	(1,976,485)	(1,976,485	-
Due to related parties	214,093	(214,093)	(214,093)	-
Lease liability	20,554	(21,000)	(15,750)	(5,250)
	(2,213,886)	(2,214,332)	(2,209,082	(5,250)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the company's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Most of the company's financial assets and liabilities are in Jordanian Dinar. Most of the company's transactions in general are in Jordanian Dinar and US Dollar. Due to the fact that the Jordanian Dinar is pegged with US Dollar, the Company's management believes that the foreign currency risk is not material on the financial statements.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk
The Company does not have any financial assets or liabilities that bear interest as of year-end.

Capital management

The company's policy concerning capital management is to maintain a strong capital base to maintain partners, creditors and market confidence and to sustain future development of the business.

The management monitors the return on capital, which the management defined as net operation income divided by total partners' equity.

There have been no changes in the Company's approach to capital management during the year neither the Company is subject to externally imposed capital requirements.

Debt to Capital Ratio	As of December 31,	
Jordanian Dinar	**2020**	2019
Total debt	**515,601**	2,291,107
(Less) Cash at bank	**(14,660)**	(447,970)
Net debt	**500,941**	1,843,137
Net owners' equity	**366,269**	497,830
Adjusted capital	**366,269**	497,830
Debt-to–adjusted Capital Ratio	**136.77%**	370.2%

In Jordanian dinar		Fair Value		
	Book value Fair value	**Level (1)**	**Level (2)**	**Level (3)**
December 31, 2020				
Trade receivables and other debit balances	368,623	-	368,623	
Cash and cash equivalents	14,660	14,660	-	
Trade payables and other credit balances	(481,281)	-	(481,281)	
Lease liability	(5,180)	-	(5,180)	
Income tax provision	(24,208)	-	(24,208)	
Due to related parties	(4,932)	-	(4,932)	
December 31, 2019				
Trade receivables and other debit balances	540,329	-	540,329	-
Cash and cash equivalents	466,717	466,717	-	-
Trade payables and other credit balances	(1,976,485)	-	(1,976,485)	-
Lease liability	(15,360)		(15,360)	
Income tax provision	(42,046)	-	(42,046)	-
Due to related parties	(214,093)	-	(214,093)	-

16. BANK GUARANTEES

As of the date of the financial statements, the Company has the below Guarantees:

	As of December 31,	
Jordanian Dinar	**2020**	2019
Guarantees *	**25,000**	25,000
	25,000	25,000

* These Guarantees are issued for the favor of the Ministry of Tourism with an amount of JD 25,000 *(2019: JD 25,000)*.

17. FAIR VALUES

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy

As at 31 December 2020, there are no financial instruments carried at fair value by valuation method.

18. USE OF JUDGMENTS AND ESTIMATES

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary.

18. USE OF JUDGMENTS AND ESTIMATES (CONTINUED)

(b) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(c) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

19. COMPARATIVE FIGURES

Comparatives have been reclassified wherever necessary to conform to the presentation adopted in the current year. The reclassification is not considered material and does not impact the financial statements as at the beginning of the earliest comparative period. Thus a third statement of financial position at the beginning of the earliest comparative period has not been presented.

20. SUBSEQUENT EVENTS

The coronavirus outbreak (COVID-19) since early 2020 has brought about additional uncertainties in the Company's operating environment and has impacted its operations in and its financial position subsequent to the financial year end. The Company has been closely monitoring the impact of COVID-19 on the Company's business.

As a result of COVID-19, there are limited operations of the Company and as the situation is fast evolving, the effect of the COVID-19 outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown. Furthermore, while the effects of COVID-19 is expected to have an adverse impact on profits and operating cash flows, management believes that the Company has sufficient liquidity and support from parent Company available to continue to meet its financial commitments for the foreseeable future when they become due.

Desert Adventures Tourism LLC

Separate financial statements

31 December 2020

Desert Adventures Tourism LLC
Separate financial statements
31 December 2020

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desert adventures

Directors' Report

The directors submit their report together with the audited separate financial statements of the Company for the year ended 31st December 2020.

LEGAL STATUS

Desert Adventures Tourism LLC is a limited liability company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai and Department of Economic Development.

The principal activity of the Company is to handle Hotel Booking, Leisure, FIT, Last Minute, Visa Processing and Transfer. The Company started its operations in September 1997.

The registered office of the Desert Adventures Tourism LLC is P.O. Box No. 25488, Dubai, United Arab Emirates.

SHARE HOLDINGS

The shareholding in the Company was as follows:

Name	**% holding**
Mohammad Ameen H.M Mubasheri Almarzooqi	51%
Travel Circle International (Mauritius) Limited ("the holding company")	49%

Mohammad Ameen H.M Mubasheri Almarzooqi has agreed not to take part in the operational and financial management of the Company.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2020 are stated below:

Financial highlights	**2020 AED**	2019 AED
Net loss	**(7,451,601)**	(4,911,758)
Total equity	**(44,820,839)**	(37,369,238)

REPRESENTATIONS AND AUDIT

There have been no material events subsequent to 31 December 2020, which require any adjustment or disclosure in these separate financial statements of the Company.

AUDITORS

KPMG Lower Gulf Limited is eligible for reappointment for 2020 and has expressed its willingness to continue in office. The director recommends the reappointment of KPMG Lower Gulf Limited as auditor of the Company for the year ending 31 December 2021.

On behalf of the Board

Senthil Nandagopal
Chief Operating Officer

Peter Payet
Chief Executive Officer

Date: 16 February 2021

Desert Adventures Tourism LLC - UAE
A Destination Management Company

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Independent Auditors' Report

To the Shareholders of Desert Adventures Tourism LLC

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Desert Adventures Tourism LLC ("the Company"), which comprise the separate statement of financial position as at 31 December 2020, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2020, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Group has prepared a separate set of consolidated financial statements for the year ended 31 December 2020 in accordance with IFRS on which we issued an auditors' report to the shareholders of the Group, dated 14 February 2021.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report.

Other Information (continued)

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities of Management and Those Charged with Governance for the Separate Financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Separate Financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 16 February 2021

Desert Adventures Tourism LLC

Separate statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2020 AED**	2019 AED
Revenue	*4*	**86,862,438**	250,404,734
Cost of sales	*5*	**(78,719,307)**	(230,072,625)
Gross profit		**8,143,131**	20,332,109
Administrative and general expenses	*6*	**(15,030,197)**	(25,990,017)
Impairment loss on trade receivables	*12.1*	**(422,186)**	(371,231)
Other income	*8*	**496,226**	1,794,630
Results from operating activities		**(6,813,026)**	(4,234,509)
Finance income	*7*	**306,587**	551,526
Finance cost	*7*	**(945,162)**	(1,228,775)
Net finance cost		**(638,575)**	(677,249)
Loss and total comprehensive income		**(7,451,601)**	(4,911,758)

The notes on pages 9 to 34 are an integral part of these separate financial statements.

The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of financial position

As at 31 December

	Notes	2020 AED	2019 AED
ASSETS			
Property and equipment	*9*	**1,094,398**	2,438,858
Intangible asset	*10*	**583,111**	635,675
Investment in subsidiaries	*11*	**1,435,575**	1,435,575
Non-current assets		**3,113,084**	4,510,108
Trade and other receivables	*12*	**15,016,805**	47,057,692
Due from related parties	*13*	**3,583,116**	6,039,083
Cash and cash equivalents	*14*	**3,397,440**	2,061,439
Current assets		**21,997,361**	55,158,214
Total assets		**25,110,445**	59,668,322
EQUITY AND LIABILITIES			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*17*	**150,000**	150,000
Shareholders contribution	*16*	**9,341,289**	9,341,289
Accumulated losses		**(54,612,128)**	(47,160,527)
Total equity		**(44,820,839)**	(37,369,238)
Liabilities			
Provision for employees' end of service benefits	*18*	**2,773,463**	3,118,452
Lease liability	*20*	**445,771**	1,104,021
Non-current liabilities		**3,219,234**	4,222,473
Trade and other payables	*19*	**36,105,128**	90,258,339
Due to related parties	*13*	**5,178,314**	1,850,035
Loan from holding company	*13*	**7,342,000**	-
Bank borrowings	*14.1*	**17,655,074**	-
Lease liability	*20*	**431,534**	706,713
Current liabilities		**66,712,050**	92,815,087
Total liabilities		**69,931,284**	97,037,560
Total equity and liabilities		**25,110,445**	59,668,322

To the best of our knowledge, the separate financial statements fairly presents, in all material respects, the separate financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2020.

These separate financial statements were authorised for issue by the shareholders on 16 February 2021.

Chief Operating Officer

Chief Executive Officer

The notes on pages 9 to 34 are an integral part of these separate financial statements.
The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of cash flows

For the year ended 31 December

	Notes	**2020** **AED**	2019 AED
Cash flows from operating activities			
Loss for the year		**(7,451,601)**	(4,911,758)
Adjustments for:			
Depreciation	*9*	**906,355**	403,738
Amortisation	*10*	**157,357**	100,087
Provision for employees' end of service benefits	*18*	**546,653**	398,477
Impairment loss on trade receivables and contract assets	*12*	**422,186**	371,231
Finance costs	*6*	**945,162**	1,228,775
Gain on sale of property and equipment		**-**	(64,264)
		(4,473,888)	(2,473,714)
Changes in:			
- trade and other receivables		**31,618,710**	(12,076,451)
- due from related parties		**2,455,967**	(1,808,573)
- due to related parties		**10,670,279**	(774,472)
- trade and other payables		**(55,098,382)**	25,063,152
Payment for employees' end of service benefits	*18*	**(891,642)**	(181,321)
Net cash (used in) / from operating activities		**(15,718,957)**	7,748,621
Cash flows from investing activities			
Acquisition of property and equipment	*9*	**(904,900)**	(166,837)
Proceeds from disposal of property and equipment		**1,343,005**	64,264
Acquisition of intangible asset	*10*	**(104,792)**	(708,334)
Net cash from / (used in) investing activities		**333,313**	(810,907)
Cash flows from financing activities			
Repayment of loan		**-**	(11,013,000)
Loan Received		**17,655,074**	-
Interest paid		**-**	(1,228,775)
Payment of lease liabilities		**(933,429)**	(356,540)
Net cash from / (used in) financing activities		**16,721,645**	(12,598,315)
Net increase / (decrease) in cash and cash equivalents		**1,336,001**	(5,660,601)
Cash and cash equivalents at beginning of the year		**2,061,439**	7,722,040
Cash and cash equivalents at end of the year	*14*	**3,397,440**	2,061,439

The notes on pages 9 to 34 are an integral part of these separate financial statements.

The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of changes in equity

For the year ended 31 December

	Share capital AED	Statutory reserve AED	Shareholders' contribution AED	Accumulated losses AED	Total AED
At 1 January 2019	300,000	150,000	9,341,289	(42,248,769)	(32,457,480)
Total comprehensive loss for the period					
Loss for the year	-	-	-	(4,911,758)	(4,911,758)
At 31 December 2019	300,000	150,000	9,341,289	(47,160,527)	(37,369,238)
At 1 January 2020	300,000	150,000	9,341,289	(47,160,527)	(37,369,238)
Total comprehensive loss for the period					
Loss for the year	-	-	-	(7,451,601)	(7,451,601)
At 31 December 2020	**300,000**	**150,000**	**9,341,289**	**(54,612,128)**	**(44,820,839)**

The notes on pages 9 to 34 are an integral part of these separate financial statements.

1 Reporting entity

Desert Adventures Tourism LLC is a limited liability Company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai.

The authorised and fully paid up share capital of the Company is AED 300,000 divided into 100 shares of AED 3,000 / share.

The shareholding of the Company as at 31 December 2020 was as follows:

Name	**% holding**
Mohammad Ameen H.M Mubasheri Almarzooqi	51
Travel Circle International (Mauritius) Limited ("the holding company")	49

Mohammad Ameen H.M Mubasheri Almarzooqi has agreed not to take part in the operational and financial management of the Company.

The principal business activity of the Company is providing travel and tourism related services. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

The registered office of the Desert Adventures Tourism LLC is P.O. Box No. 25488, Dubai, United Arab Emirates.

The ultimate parent company of the Group is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

The Company has not purchased any shares during the year.

2 Basis of accounting

a) Consolidated results

These financial statements reflect the operating results and the financial position of the Company only, and do not consolidate the operating results and financial position of the subsidiaries. These separate financial statements are prepared to present the net value of the Company based on cost less provision, if any. The subsidiaries are consolidated on a line-by-line basis in the consolidated financial statements of Desert Adventures Tourism L.L.C., which should be referred to for the consolidated financial position and results of operations for the Group.

b) Going concern

During the year ended 31 December 2020, the Company reported a net loss of AED 7.45 million and as 31 December 2020 *(2020: AED 4.91 million)* and has net liabilities and accumulated losses amounting to AED 44.8 million and AED 54.6 million, respectively as of the reporting date. The global outbreak of the COVID-19 pandemic, subsequent to the period end, has impacted the business, operations and financial results of the Company. Public health efforts to mitigate the impact of the pandemic include government actions such as travel restrictions, limitations on public gatherings and mandatory lockdown. These actions have impacted overall consumer, business confidence and specifically the frequent individual travel (FIT) and leisure industry in which the Company is providing related travel related services. COVID-19 has severely impacted the entire tourism and leisure industry globally.

The cashflow forecast has been prepared taking into consideration the current financial performance of the Group's business, financial support provided by the parent company, and the degree to which it is affected by external factors and other financial and non-financial information available at the time of preparation of such forecasts.

2 Basis of accounting (continued)

b) Going concern *(continued)*

Management as part of its assessment also considered and assessed the financial results and specifically the cash flow position subsequent to the yearend. The overall objective is to maintain the liquidity position of the Company to ensure it has adequate cashflows to meet its financial obligations in the foreseeable future until the disruption on account of COVID-19 is eased. Furthermore, to maintain adequate cashflows and availability of working capital, the parent company has provided a letter of support confirming that it will be providing all the necessary financial support to the Company in order to meet its working capital obligations in the foreseeable future.

Based on the above, management, Board of Directors and the parent company are of the view that the Company will continue to have sufficient positive cash flows available in the foreseeable future to meet its liabilities and working capital commitments as and when they fall due in the foreseeable future. Accordingly, it is appropriate to prepare these financial statements as and for the year ended 31 December 2020 on a going concern basis.

c) Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB).

d) Basis of measurement

The separate financial statements have been prepared on the historical cost basis.

e) Functional and presentation currency

The separate financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional currency.

f) Use of estimates and judgments

The preparation of the separate financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognized in these separate financial statements are disclosed in note 24.

3 Summary of Significant Accounting Policies

Revenue

The Company renders a wide range of tourism and related services.

Revenue includes hotel accommodation, transfers, visa services and other tourism and travel related services. The revenue from rendering these services is recognized in profit or loss at the fair value of the consideration received or receivable.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
- **Tourism & related services** including: - Hotel accommodation - Visas - Transfers - Meet and greet and; - Excursions	Control of travel related services is considered transferred to customer at the travel in date i.e. in case of: - Visas at the date of issuance; - Hotel accommodation on the date hotel check in; - Transfers on the date of arrival; - Meet and greet on the date of arrival; and - Excursions on the date excursions Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.
Tour Packages	The services above are also sold as a combined tour package to travelers. In case of a combined tour package, entire package is generally considered as a single performance obligation. The combination of separate services in a combined tour package is considered significant integration and revenue for the entire tour package is recognized at the time of travel in date. Invoices are usually payable within 30 days. Booking cancellations vary depending on the timing of the season during the year.	Revenue is recognized at a point in time i.e. the time of travel in date.

3 Summary of Significant Accounting Policies (continued)

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Summary of Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Summary of Significant Accounting Policies (continued)

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to AED at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into AED using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

The cost of replacing an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property and equipment are recognized in the profit or loss as incurred.

Depreciation

Depreciation is recognized in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives are as follows:

	Years
Motor vehicles	4
Furniture, fixtures and equipment	2 - 5
Leasehold improvements	10

The depreciation method and useful lives, as well as estimates of residual lives, are reassessed annually.

Intangible Assets

Intangible assets, including software, operating licenses and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses if any.

Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization
Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives for current and comparative are 5 years.

3 Summary of Significant Accounting Policies (continued)

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;

3 Summary of Significant Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets

Financial instruments (continued)

- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the

3 Summary of Significant Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets

Financial instruments (continued)

present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Provisions

A provision is recognized, if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3 Summary of Significant Accounting Policies (continued)

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and its amendments and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Intercompany recharges

Intercompany expenses are recharged to related parties at arm's length price. Charges mainly includes Salaries and Other Admin expense including IT system cost as paid by / charged to the Company.

Contract assets

The contract assets are recognized for the Company's rights to consideration for services provided to the customer but not billed at the reporting date. The amount is netted with the expected credit losses, if any. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customers.

Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

3 Summary of Significant Accounting Policies (continued)

Leases (continued)

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

3 Summary of Significant Accounting Policies (continued)

Standards issued but not yet effective (continued)

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). – Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1). –
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines and timing of revenue recognition.

	2020 AED	2019 AED
Tourism and related services	**81,597,669**	235,024,356
Tour packages	**3,589,190**	13,035,074
Hotel commissions	**1,675,579**	2,345,304
	86,862,438	250,404,734
Geographical markets		
United Arab Emirates	**86,862,438**	250,404,734
Timing of revenue recognition		
Revenue recognised at a point in time	**86,862,438**	250,404,734
Contract balances		
Receivables, which are included in "trade receivables and other receivables" (Note 12)	**3,169,938**	32,413,472

5 Cost of sales

	2020 AED	2019 AED
Tourism and related services	**75,547,752**	218,769,937
Tour Packages	**3,171,555**	11,302,688
	78,719,307	230,072,625

6 Administrative and general expenses

	2020	2019
	AED	AED
Staff salaries and related benefits	**10,575,767**	19,481,955
IT expenses	**1,197,762**	1,074,471
Depreciation (refer note 9.1)	**906,355**	403,738
Advertisement and business promotion	**599,197**	1,504,389
Office expense	**386,172**	720,514
Rent expense	**179,208**	782,502
Travel expense	**107,918**	595,249
Amortisation (refer note 10)	**157,357**	100,087
Other expenses	**920,461**	1,327,112
	15,030,197	25,990,017

7 Net finance cost

	2020	2019
	AED	AED
Finance income		
Net foreign exchange gain	**295,788**	551,125
Interest income	**10,799**	401
Total finance income	**306,587**	551,526
Finance cost		
Bank charges	**(154,960)**	(282,464)
Interest on lease liabilities (note 20)	**(80,072)**	(107,051)
Loan interest and other charges	**(710,130)**	(839,260)
Total finance cost	**(945,162)**	(1,228,775)
Net finance costs recognized in profit or loss	**(638,575)**	(677,249)

8 Other income - net

	2020	2019
	AED	AED
Expenses recharged to associated companies	**817,735**	2,088,795
Expenses recharged by associated companies	**(536,122)**	(1,343,413)
Gain on sale of property and equipment	**-**	64,264
Other income	**214,613**	984,984
	496,226	1,749,630

9 Property and equipment

	Motor vehicles AED	Furniture, fixtures and equipment AED	Leasehold improvements AED	Leased office premises AED	Total AED
Cost					
Balance at 1 January 2019	2,570,878	662,622	1,555,326	-	4,788,826
Additions	130,000	36,837	-	-	166,837
Recognition of right-of-use asset on initial application of IFRS 16 (refer note 20)	-	-	-	2,167,274	2,167,274
Disposals	(76,001)	-	-	-	(76,001)
Balance at 31 December 2019	2,624,877	699,459	1,555,326	2,167,274	7,046,936
Balance at 1 January 2020	2,624,877	699,459	1,555,326	2,167,274	7,046,936
Additions	-	10,264	-	894,636	904,900
Disposals	-	(217,194)	(400,617)	(2,167,274)	(2,785,085)
Balance at 31 December 2020	2,624,877	492,529	1,154,709	894,636	5,166,751
Depreciation					
Balance at 1 January 2019	2,541,190	644,062	1,095,089	-	4,280,341
Charge for the year	33,808	15,032	138,170	216,728	403,738
Disposals	(76,001)	-	-	-	(76,001)
Balance at 31 December 2019	2,498,997	659,094	1,233,259	216,728	4,608,078
Balance at 1 January 2020	2,498,997	659,094	1,233,259	216,728	4,608,078
Charge for the year	43,427	19,246	200,349	643,333	906,355
Disposals	-	(217,194)	(400,617)	(824,269)	(1,442,080)
Balance at 31 December 2020	2,542,424	461,146	1,032,991	35,792	4,072,353
Net book value					
At 31 December 2020	**82,453**	**31,383**	**121,718**	**858,844**	**1,094,398**
At 31 December 2019	125,880	40,365	322,067	1,950,546	2,438,858

9.1 Allocation of depreciation expense

	2020 AED	2019 AED
Depreciation expense related to administration (refer note 6)	**906,355**	403,738

10 Intangible asset - Software

	2020 AED	2019 AED
Cost		
As at 1 January	**1,976,175**	1,267,841
Additions	**104,792**	708,334
As at 31 December	**2,080,968**	1,976,175
Amortisation		
As at 1 January	**1,340,500**	1,240,413
Charge for the period	**157,357**	100,087
As at 31 December	**1,497,857**	1,340,500
Net book value as at 31 December	**583,111**	635,675

11 Investment in subsidiaries

The investment in subsidiaries are registered in the name of the shareholders of the Company and represents the amount contributed directly by the shareholders in the capital of Muscat Desert Adventures Tourism LLC ("Muscat DAT) and Jordan Desert Adventures Tourism LLC ("Jordan DAT").

	Muscat DAT AED	**Jordan DAT AED**	**Total AED**
Cost	1,435,575	522,900	1,958,475
Provision for impairment	-	(522,900)	(522,900)
At 31 December 2020	**1,435,575**	**-**	**1,435,575**
At 31 December 2019	1,435,575	-	1,435,575

Management carried out an impairment test of the carrying value of the subsidiaries as at 31 December 2020, based on these impairment test management, no impairment was made as the net assets of subsidiary was in excess of its carrying amount as at 31 December 2020.

12 Trade and other receivables

	2020	2019
	AED	AED
Trade receivables	**6,228,729**	35,050,077
Provision for impairment loss on trade receivables (refer note 12.1)	**(3,058,791)**	(2,636,605)
	3,169,938	32,413,472
Other receivables and prepayments		
Advances to suppliers	**2,391,295**	3,898,210
Prepayments	**742,360**	776,348
Other receivables		
- Deposits	**6,929,235**	7,575,289
- Commission receivables	**622,879**	1,425,635
- Other receivables	**1,161,098**	968,738
	15,016,805	47,057,692

12.1 Provision for impairment loss on trade receivables

The movement in the provision for doubtful debts during the year is as follows:

	2020	2019
	AED	AED
As at 1 January	**2,636,605**	2,265,374
Provision made during the year	**422,186**	371,231
As at 31 December	**3,058,791**	2,636,605

13 Related parties

Related parties, within the definition of a related party contained in International Accounting Standard 24, represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Such transactions are on terms and conditions mutually agreed.

Significant transactions entered with related parties during the year were:

	2020	2019
	AED	AED
Sales to related parties	**2,138,356**	6,950,782
Expenses recharged to fellow subsidiaries (note 8)	**817,735**	2,088,795
Expenses recharged by fellow subsidiaries (note 8)	**(744,200)**	(1,343,413)
Loan / (Repayment of proceeds) from holding Group	**7,342,000**	(7,342,000)

13 Related parties (continued)

The key management personnel compensation is as follows:

	2020 AED	2019 AED
Short-term employee benefits	**1,323,421**	2,950,290
Staff terminal benefits	**155,766**	112,875
	1,479,187	3,063,165

Due from related parties

	2020 AED	2019 AED
Entities under common ownership		
Gulf Dunes LLC	**3,235,569**	1,638,884
TC Visa Services (India) Ltd	**170,053**	185,898
SOTC Travel Limited	**160,580**	1,150,150
Asian Trails Holding Ltd	**14,111**	128,132
Kuoni Private Safaris Limited	**2,803**	2,803
Thomas Cook Limited	**-**	1,787,138
Desert Adventures Tourism – Jordan	**-**	1,109,165
Horizon Travel Services (previously Allied Tpro Inc.)	**-**	20,785
Australian Tours Management Pty Ltd	**-**	13,325
Kuoni Private Safaris – Namibia	**-**	2,803
	3,583,116	6,039,083

Due to related parties

	2020 AED	2019 AED
Subsidiaries of Company		
Desert Adventures Tourism – Jordan	**2,501,664**	-
Muscat Desert Adventures Tourism LLC	**885,914**	1,322,376
Entities under common ownership		
Thomas Cook (India) Limited [TCIL]	**678,407**	-
Reem Tours LLC	**608,868**	238,868
Jardin Travel Solutions Limited	**244,874**	152,538
TC Travel Services Limited	**124,708**	130,339
Travel Circle International (Mauritius) Ltd	**83,078**	-
Horizon Travel Services (previously Allied Tpro Inc.)	**42,197**	-
Travel Corporation (India) Limited	**5,969**	5,914
Australian Tours Management Pty Ltd	**2,635**	-
	5,178,314	1,850,035

13 Related parties (continued)

Loan from holding Company
The Company obtained a short-term facility to finance working capital requirements from Travel Circle International (Mauritius) Limited ("Holding Group"). This facility is unsecured and carries interest at the rate of 6 months LIBOR plus 100 basis points. The movement in the balance during the year ended 31 December 2020 is as follows:

	2020	2019
	AED	AED
Opening balance	**-**	7,342,000
Proceeds from loan	**7,342,000**	-
Repayment of loan proceeds	**-**	(7,342,000)
	7,342,000	-

14 Cash and cash equivalents

	2020	2019
	AED	AED
Cash in hand	**95,485**	128,109
Cash at bank	**3,301,955**	1,933,330
	3,397,440	2,061,439

14.1 Bank borrowings

The Company has a facility to obtain short term loan from IndusInd Bank. This facility is secured over the assets of the Company and carries interest at the rate of 3 months LIBOR plus 250 basis points. The principal is payable on demand and interest is payable on quarterly basis. The outstanding amount as at 31 December 2020 is AED 17,655,074 *(2019: AED 3,671,000).*

15 Share capital

	2020	2019
	AED	AED
Authorised, issued and fully paid up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Shareholder contribution

	2020	2019
	AED	AED
Shareholder contribution	**9,341,289**	9,341,289

17 Statutory reserve

In accordance with article 103 of the U.A.E Federal Commercial Companies' law (2) of 2015), a minimum of 10% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. Due to loss for the year no amount during the current year was transferred to statutory reserve *(2019: AED nil).*

18 Employees' end of service benefits

	2020 AED	2019 AED
As at 1 January	**3,118,452**	2,901,296
Provision during the year	**546,653**	398,477
Payments made during the year	**(891,642)**	(181,321)
As at 31 December	**2,773,463**	3,118,452

19 Trade and other payables

	2020 AED	2019 AED
Trade payables	**18,311,963**	36,670,695
Advances from customers	**6,685,866**	7,579,527
Accruals and other payables		
- Employees accruals	**1,246,379**	1,607,320
- Hotel and other service accruals	**8,331,327**	42,103,715
- Other payables	**1,529,593**	2,297,082
	11,107,299	46,008,117
	36,105,128	65,195,187

20 Lease liabilities

	2020 AED	2019 AED
Current	**431,534**	706,713
Non-current	**445,771**	1,104,021
Balance at 31 December	**877,305**	1,810,734

Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the year:

	2020 AED	2019 AED
As at 1 January	**1,917,785**	-
On initial application as at 1 January 2019	**-**	2,167,274
Interest expense on lease liability (note 7)	**80,072**	107,051
Repayment of lease liability	**(933,429)**	(356,540)
As at 31 December	**904,284**	1,917,785

20 Lease liabilities (continued)

Amount recognised in the profit or loss

	2020	2019
	AED	AED
Interest on lease liability	**80,072**	107,051
Depreciation on right-of-use asset (refer note 9)	**643,333**	216,728
Expenses relating to low value assets, excluding short-term leases (refer note 6)	**179,208**	782,502
Balance at 31 December	**902,613**	1,106,281

Amounts recognised in the Statement of cash flows

	2020	2019
	AED	AED
Repyament of lease liability	**(933,429)**	(356,540)

21 Contingencies and commitments

Bank guarantees

The Company has AED 2,031,045.50 *(2019: AED 1,871,798)* of bank guarantees as at 31 December 2020, these were issued during the normal course of business.

22 Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk;
- Liquidity risk; and
- Market risk.

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

22 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables (excluding prepayments and advances) and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020 AED	2019 AED
Trade and other receivables *	**11,883,149**	42,383,134
Due from related parties	**3,583,116**	6,039,083
Cash at bank	**3,301,955**	1,933,330
	18,768,220	50,355,547

* Prepayments and advances are excluded.

At 31 December, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2019 AED	Carrying amount 2019 AED
Geographical regions		
Commonwealth of Independent States	**349,588**	19,214,948
Europe	**1,846,653**	8,049,578
Middle East	**2,239,767**	3,680,916
Asia	**972,473**	979,721
Others	**820,249**	3,124,914
Grand total	**6,228,729**	35,050,077

22 Financial risk management *(continued)*

Credit risk *(continued)*

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2020 AED	**Credit impaired 2020 AED**	Not credit-impaired 2019 AED	Credit impaired 2019 AED
Not yet due	**1,819,175**	**-**	19,860,975	-
1-30 days	**220,745**	**-**	11,678,415	-
31- 90 days	**1,023**	**-**	1,659,372	-
91- 120 days and above	**-**	**4,187,787**	-	1,851,315
Total gross carrying amount	**2,040,942**	**4,187,787**	33,198,762	1,851,315
Loss allowance	**-**	**(3,058,791)**	(1,384,257)	(1,252,348)
	2,040,942	**1,128,996**	31,814,504	598,967

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2020.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2020.

	Gross carrying amount AED	**Loss allowance AED**	**Credit impaired**
Not yet due	**1,819,175**	**-**	**No**
1-30 days	**220,745**	**-**	**No**
31- 90 days	**1,023**	**-**	**No**
91- 120 days and above	**4,187,786**	**(3,058,791)**	**Yes**
Total	**6,228,729**	**(3,058,791)**	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company’s view of economic conditions over the expected lives of the receivables.

22 Financial risk management (continued)

Credit risk (continued)

Exposure is segmented by geographical region and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on GDP.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows.

The following are the contractual maturities of financial liabilities based on contractual payments:

2020	**Carrying Amount AED**	**Contractual cash out flows AED**	**1 year or less AED**	**More than 1 year AED**
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	**29,419,263**	**(29,419,263)**	**(29,419,263)**	**-**
Lease liability	**877,305**	**(877,305)**	**(431,534)**	**(445,771)**
Due to related parties	**12,520,314**	**(12,520,314)**	**(12,520,314)**	**-**
	42,816,882	**(42,816,882)**	**(42,371,111)**	**(445,771)**

2019	Carrying Amount AED	Contractual cash out flows AED	1 year or less AED
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	82,678,812	(82,678,812)	(82,678,812)
Lease liability	1,810,734	(1,880,118)	(752,047)
Due to related parties	1,850,035	(1,850,035)	(1,850,035)
	86,339,581	(86,408,965)	(85,280,894)

22 Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to AED, the Company does not hedge the currency risk in respect of its foreign currency exposure.

Interest rate risk
Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

Variable instruments	**2020**	2019
	AED	AED
Financial liabilities (loan from holding company)	**7,342,000**	**-**
Financial liabilities (bank borrowings)	**17,655,074**	**-**
	24,997,074	**-**

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to shareholders. The Company is not subject to externally imposed capital requirements.

23 Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts.

Fair value hierarchy

As at 31 December 2020, there are no financial instruments carried at fair value by valuation method.

24 Use of judgments and estimates

In the process of applying the entity's accounting policies, which are described in the notes, management has made certain judgment and estimates as mentioned below.

Assumptions and estimation uncertainties

The key assumption concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 22.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company in the above areas is set out in note 22.

(b) Going concern assumption

The Company's management has performed a preliminary assessment of the Company's ability to continue as a going concern, which covers a period of twelve months from the financial position date. The Company's management has prepared its business forecast and the cash flow forecast for the twelve months from the statement of financial position date on a conservative basis. The forecasts have been prepared taking into consideration the nature and condition of its business, the degree to which it is affected by external factors and other financial and non-financial data available at the time of preparation of such forecasts. On the basis of such forecasts, the Company's management is of the opinion that the Company will be able to continue its operations for the next twelve months from the financial position date and that the going concern assumption used in the preparation of these separate financial statements is appropriate. The appropriateness of the going concern assumption shall be reassessed on each reporting date.

24 Use of judgments and estimates (continued)

(c) Depreciation method, useful life and residual values of property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property and equipment and no adjustment to the residual lives and remaining useful lives of the assets was considered necessary for the current year.

(d) Revenue recognition timing

Revenue from hotel accommodation (both separate and sold as part of tour package) is recognized when the control is transferred to the customer. The customer gets the control when all the tour related vouchers and travel tickets are issued to them. As per the general practice, the Company issues all the vouchers and travel tickets to the Customer at time of travel of the tour. Hence, the Company fully transfers control of the promised services to the customer once all the vouchers and tickets are issued to the customer at time of travel.

(e) Tour Package as single performance obligation

To assess whether the contract contains single performance obligation or multiple performance obligation requires judgment. For sale of tours packages, the promised services within tour packages in nature of hotel accommodation, visas, transfers, meet and greet and excursions, though capable of being distinct are not distinct within the context of the contract.

The objective when assessing whether an entity's promises to transfer goods or services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those goods or services individually, or whether the promise is to transfer a combined item or items to which the promised goods or services are inputs. In sale of tour packages as the obligation is to provide all the services together to the customer hence there is only one single performance obligation.

(f) Lease term

In determining the lease term, management considers facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if lease is reasonably certain to be extended. The factors considered most relevant include significant penalties to not extend, leasehold improvements remaining net book value, business disruption and availability of alternative options.

25 COVID-19 coronavirus pandemic

During the current year, the global outbreak of the Covid-19 coronavirus has severely impacted businesses and economies worldwide. The Covid-19 outbreak has been considered a Pandemic and may impact the business operations of the customers, which in turn impacts our business. As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full duration and the extent of the full economic impact as of now. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain, and workforce, which at this point is not considered to be significant. Management believes that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. Financial impacts of the COVID-19 pandemic identified and recognised during the financial year 2020 have been reflected in the financial performance for the year and considered in the financial position as at 31 December 2020.

Desert Adventures Tourism LLC
Balance Sheet as at 31 Mar, 2021

Currency - AED

Particulars	Notes	As at 31 Mar, 2021	As at 31st March, 2020
ASSETS			
Non-current assets:			
Property, plant and equipment	3	207,105	442,703
Capital work-in-progress	3	-	-
Goodwill	4	-	-
Other intangible Assets	4	539,411	597,211
Right of Use Assets	4(a)	751,496	1,788,000
Intangible assets under development		-	-
Investment accounted for using equity method	5	-	-
Investment in subsidiaries	5	1,435,575	1,435,575
Financial assets			
- Non current investments	5	-	-
- Loans		-	-
- Other financial assets	6(e)	-	-
Other non-current assets	7	-	-
Non Current Tax assets	9	-	-
Deferred tax assets (net)	16	-	-
Total non-current assets		**2,933,587**	**4,263,489**
Current assets:			
Inventories			
Financial assets			
- Investments	6(a)	-	-
- Trade receivables	6(b)	10,149,780	26,795,463
- Cash and cash equivalents	6(c)	6,492,552	15,618,219
- Bank balances other than cash and cash equivalents	6(d)	-	-
- Other financial assets	6(e)	10,487,388	12,602,377
Other current assets	8	4,387,252	4,936,145
Total current assets		**31,516,972**	**59,952,204**
TOTAL ASSETS		**34,450,559**	**64,215,693**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	10(a)	300,000	300,000
Preference share capital	10(a)	-	-
Other equity		-	-
Share application money pending allotment		-	-
Reserve and surplus	10(b)	(44,985,796)	(38,175,699)
Total Equity		**(44,685,796)**	**(37,875,699)**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Borrowings	11(a)	-	-
- Other financial liabilities	11(c)	222,877	735,973
Provisions	14	-	-
Employee Benefit Obligations	15	2,776,384	3,232,769
Deferred tax liabilities (net)	16	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		**2,999,261**	**3,968,742**
Current liabilities			
Financial liabilities			
- Borrowings	11(b)	30,265,423	17,436,645
- Trade payables	11(d)	29,835,670	65,828,630
- Other financial liabilities	11(c)	6,543,261	8,151,075
Provisions	14	-	-
Employee Benefit Payable	15	948,369	1,380,304
Current Tax Liabilities	9	-	-
Other current liabilities	13	8,544,371	5,325,996
Total current liabilities		**76,137,094**	**98,122,650**
TOTAL LIABILITIES		**79,136,355**	**102,091,392**
TOTAL EQUITY AND LIABILITIES		**34,450,559**	**64,215,693**
	Check --->	-	-

The above balance sheet should be read in conjunction with the accompanying notes.
This special purpose financial information has been approved by management on 25 May 2021.

Chief Executive Officer

Chief Financial Officer

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DESERT ADVENTURES
TOURISM L.L.C

Desert Adventures Tourism LLC
Statement of Profit And Loss for the 12 months ended 31 Mar, 2021

		Currency - AED	
Particulars	**Notes**	**12 months ended 31 Mar, 2021**	**Year ended 31st March, 2020**
Income			
Revenue from operations	17	77,436,870	240,820,260
Other income	18(a)	917,865	2,998,945
Other gains (net)	18(b)	326,106	488,310
Total income		**78,680,841**	**244,307,515**
Expenses			
Cost of services		70,762,227	221,821,099
Employee benefits expense	19	8,937,402	17,990,451
Finance Cost	22	1,133,441	1,136,750
Advertisement Expenses		419,434	1,243,683
Depreciation and amortisation expense	20	1,002,881	699,312
Other expenses	21	3,235,553	6,247,525
Total expenses		**85,490,938**	**249,138,820**
Loss before exceptional item		**(6,810,097)**	**(4,831,305)**
Add Exceptional items:			
Less Exceptional items:			
Loss before tax		**(6,810,097)**	**(4,831,305)**
Less : Tax expense			
Current tax	23	-	-
Deferred tax	23	-	-
Total tax expenses		**-**	**-**
Loss for the year (A)		**(6,810,097)**	**(4,831,305)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations			
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income for the year, net of taxes (B)		**-**	**-**
Total comprehensive income for the year (A+B)		**(6,810,097)**	**(4,831,305)**
Loss per equity share (Face value of INR 1 each)			
- Basic earnings/(loss) per share		(68,101)	(48,313)
- Diluted earnings/(loss) per share		-	-

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Desert Adventures Tourism LLC
Balance Sheet as at 31 Mar, 2021

STATEMENT OF CHANGES IN EQUITY: **Currency - AED**

(A) Share Capital	Equity share	Preference share
Particulars	**Amount**	**Amount**
Balance as at 1st April 2020	**300,000**	
Changes in share capital during the period	-	-
Balance as at 30th June, 2019	**300,000**	-

(B) Other Equity	Share application money pending allotment	Reserves and Surplus							
Particulars		**Capital Reserve**	**Capital Redemption Reserve (CRR)**	**Debenture Redemption Reserve (DRR)**	**Share option Outstanding Account**	**Securities Premium Account**	**General Reserve**	**Retained Earnings**	**Total Reserves and Surplus**
Balance as at 1st April, 2020							**150,000**	**(38,325,699)**	**(38,175,699)**
Profit for the year								(6,810,097)	(6,810,097)
Other Comprehensive Income, net of tax									-
Transaction with owners in their capacity as owners									-
									-
Transfer From Retained Earnings									-
Transfer to CRR									-
Transfer to DRR									-
Employee Stock Option Expense/push down									-
Transfer to securities premium account									-
Addition on account of ESOP issues									-
Transfer to General Reserve									-
Dividend for the Previous Period paid during the year									-
Corporate Dividend Tax for the Previous year paid during the year									-
Balance as at 31 Mar, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**150,000**	**(45,135,796)**	**(44,985,796)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Desert Adventures Tourism LLC
Statement of Cash Flows for the 12 months ended 31 Mar, 2021

Currency - AED

	Note	For the year ended
A) Cash flow from operating activities		
Profit before income tax		**(6,810,097)**
Adjustments for		
Interest Income	18(a)	(9,051)
Impairment of Goodwill and other non current assets		
Dividend Income from Investments	18(a)	-
Expenses on Employees Stock Options Schemes (Net)	19	-
Depreciation and Amortisation	20	414,740
Profit on sale of Fixed Assets (Net)	18(b)	(66,000)
Interest on Income Tax Refund	xx	-
Finance Costs	22	1,133,441
Bad Debts and Advances written off	xx	-
Provision for doubtful debts and Advances (net off bad debts written off)	21	172,186
Operating Profit before Working Capital changes		**(5,164,781)**
Change in operating assets and liabilities		
Increase/(Decrease) in Trade Payables		(35,992,960)
Increase/(Decrease) in Provisions		-
Increase/(Decrease) in Other financial Liabilities		(2,120,910)
Increase/(Decrease) in Other Liabilities		3,218,375
Increase/(Decrease) in Employee Benefit Obligations		(888,320)
(Increase)/ Decrease in Trade Receivables		16,473,496
(Increase)/Decrease in Other Financial Assets		3,151,493
(Increase)/Decrease in Other Assets		548,893
Cash generated from operations		**(20,774,714)**
Income taxes paid (Net of Refunds Received)		-
Interest on Income Tax Refund	xx	-
Net cash inflow from operating activities		**(20,774,714)**
B) Cash flow from investing activities:		
Proceeds from sale of Fixed Assets		66,000
Purchase of Fixed Assets		(121,341)
Interest Received		9,051
Dividend received on Subsidiary Company		
Dividend received from Mutual funds		
Investment in Subsidiary		
Proceeds from sale of Current Investments (net of Purchases)		
Investments/(Proceeds) in Fixed Deposits with banks		
Net cash outflow from investing activities		**(46,290)**
C) Cash flow from financing activities		
Proceeds from Issue of Equity Shares under Employees Stock Options Schemes		
Share Issue expenses paid		
Proceeds from Issue of Preference Shares		
Proceeds/repayment from Issue of Debentures		
Proceeds from Finance Lease Liability (Net)		
Dividend Paid during the year		
Tax on Dividend Paid during the year		
Loan given to subsidiary company		
Loan repayment by subsidiary company		
Loan received from the related party		13,802,960
Finance Costs paid		(1,133,441)
Net cash inflow (outflow) from financing activities		**12,669,519**
Net increase/(decrease) in cash and cash equivalents		**(8,151,485)**
Add: Cash and cash equivalents at the beginning of the financial year		(1,818,426)
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at the end of the year		**(9,969,911)**

Reconciliation of Cash Flow statements as per the cash flow statement		**31st March, 2021**
Cash Flow statement as per above comprises of the following		
Cash and cash equivalents		6,492,552
Bank Overdrafts		(16,462,463)
Balances as per statement of cash flows		**(9,969,911)**

The above statement of cash flows should be read in conjunction with the accompanying notes

Desert Adventures Tourism LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31 Mar, 2021
Notes 1 and 2 are intentionally left blank
Note 3: Property, plant and equipment: **Currency - AED**

Particulars	Office Building	Leasehold Improvements	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total	Capital work in progress
Gross carrying amount									
Opening as at 1st April, 2020	-	**1,555,327**	**363,692**	-	**342,548**	**2,624,877**	-	4,886,444	
Additions		-	-	-	16,549	-	-	16,549	
Disposals/transfer		(400,617)	(217,194)	-	-	(6,376)	-	(624,187)	
Closing gross carrying amount	-	**1,154,710**	**146,498**	-	**359,097**	**2,618,501**	-	**4,278,806**	
Accumulated depreciation									
Opening as at1st April, 2020	-	**1,267,799**	**354,879**	-	**309,247**	**2,511,815**	-	4,443,740	
Depreciation charge during the year		194,675	2,532	-	16,200	38,741		252,148	
Disposals		(400,617)	(217,194)	-	-	(6,376)		(624,187)	
Closing accumulated depreciation	-	**1,061,857**	**140,217**	-	**325,447**	**2,544,180**	-	**4,071,701**	
Net carrying amount as at 31 Mar, 2021	-	**92,853**	**6,281**	-	**33,650**	**74,321**	-	**207,105**	

Note 4: Intangible Assets:

Currency - AED

Particulars	**Computer Software**	**Goodwill**
Gross carrying amount		
Opening as at 1st April, 2020	1,976,177	
Additions	104,792	
Disposals	-	
Closing gross carrying amount	**2,080,969**	**-**
Accumulated amortisation		
Opening as at 1st April, 2020	1,378,966	
Amortisation charge for the year	162,592	
Disposals	-	
Closing accumulated amortisation	**1,541,558**	**-**
Net carrying amount as at 31 Mar, 2021	**539,411**	**-**

(i) Intangible assets includes:

Intangible Assets (software) includes Internally generated / developed software - Gross Block **xx (Amount)** (Previous Year **xx**); Net Block **xx (Amount)** (Previous Year **xx**).

(ii) Significant Estimate - Impairment tests of goodwill

The entire amount of goodwill pertains to **xx** business (cash generating unit) generated at the time of acquisition and is tested for impairment on an annual basis. Recoverable amount of the CGU is based on its property values which is higher than the carrying value of the cash generating unit.

(iii) Leased assets

Software includes the following amounts where the company is a lessee under a finance lease:

Particulars	**31 Mar, 2021**	**31st March, 2020**
	Computer Software	**Computer Software**
Cost/Deemed Cost		
Accumulated Depreciation		
Net Carrying Amount	**-**	**-**

Note 4 : Right of Use Assets **Currency - AED**

Particulars	Office Building	Furniture and Fixtures	Computers	Office equipments	Vehicles	Plant and Machinery	Total
Gross carrying amount							
Opening as at 1st April, 2020	2,167,274	-	-	-	-	-	2,167,274
Additions during the period	894,636						894,636
Disposals/transfer	(2,167,274)						(2,167,274)
Closing gross carrying amount	**894,636**	**-**	**-**	**-**	**-**	**-**	**894,636**
Accumulated depreciation							
Opening as at 1st April, 2020	379,274	-	-	-	-	-	379,274
Depreciation charge during the year	588,141						588,141
Disposals	(824,275)						(824,275)
Closing accumulated depreciation	**143,140**	**-**	**-**	**-**	**-**	**-**	**143,140**
Net carrying amount as at 31 Mar, 2021	**751,496**	**-**	**-**	**-**	**-**	**-**	**751,496**

Note 5: Investments:

Currency - AED

Particulars	31 Mar, 2021	31st March, 2020
Investment in Associates		
xx (Nos.) (Previous Year **xx**) fully paid-up Equity Shares of **xx (Face Value)** each of **xx (Company Name)**		
Investment in Joint Venture		
xx (Nos.) (Previous Year **xx**) fully paid-up Equity Shares of **xx (Face Value)** each of **xx (Company Name)**		
....		
Unquoted - In subsidiaries at cost		
105,000 fully paid-up Equity Shares of RO 1 each of MuscatDesert Adventures Tourism LLC	1,435,575	1,435,575
50,000 fully paid-up Equity Shares of JD 1 each of Desert Adventures Tourism (Pvt) Shareholding Company Jordan	522,900	522,900
xx (Nos.) (Previous Year **xx**) fully paid-up Preference Shares of **xx (Face Value)** each of **xx (Company Name)**		
ESOP issued to subsidiaries employees		
xx (Company Name)		
xx (Company Name)		
....		
Investment in equity instruments (fully paid-up) - Fair value through Profit and Loss A/c		
xx (Nos.) (Previous Year **xx**) fully paid-up Equity Shares of **xx (Face Value)** each of **xx (Company Name)**		
xx (Nos.) (Previous Year **xx**) fully paid-up Equity Shares of **xx (Face Value)** each of **xx (Company Name)**		
....		
Aggregate amount of quoted investments		
Aggregate amount of unquoted investments	**1,958,475**	**1,958,475**
Market value of Quoted Investments		
Aggregate amount of impairment in the value of investments	(522,900)	(522,900)

Note 6: Financial Assets
6(a)Current Investments

Particulars	31 Mar, 2021	31st March, 2020
Investment in mutual funds fair valued through Profit and Loss A/c (Quoted)		
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: **xx**) Units of **xx (Face Value)** each	-	-
- Mutual Fund Scheme and Plan Name		
xx (Nos.) (Previous Year: **xx**) Units of **xx (Face Value)** each	-	-
....		
Total Mutual Funds	-	-
Total Current investments	-	-
Aggregate Amount of quoted investments	-	-
Aggregate Amount of impairment in the value of investments	-	-

6(b)Trade receivables

Particulars		31 Mar, 2021	31st March, 2020
- Trade receivables		13,208,571	29,682,068
Less : Allowance for doubtful debts		(3,058,791)	(2,886,605)
Total receivables		**10,149,780**	**26,795,463**
Break up of Security Details			
Secured, considered good			
Unsecured, considered good		10,149,780	26,795,463
Unsecured, considered doubtful		3,058,791	2,886,605
Total		**13,208,571**	**29,682,068**
Less : Allowance for doubtful debts		(3,058,791)	(2,886,605)
Total Trade Receivables		**10,149,780**	**26,795,463**
Trade recievables from Related Parties			
Trade recievables From Inter companies			
Trade recievables Others		**10,149,780**	**26,795,463**

6(c) Cash and cash equivalents

Particulars	31 Mar, 2021	31st March, 2020
Balances with banks :		
In current accounts	6,344,539	15,505,238
Fixed Deposits with **original maturity** of less than three months*	-	-
Balance in EEFC accounts	-	-
Remittance in Transit (including foreign currencies- Notes and paid documents)	-	-
Cheques on hand	-	-
Cash on hand (including foreign currencies- Notes and paid documents)	148,013	112,981
Total Cash and cash equivalents	**6,492,552**	**15,618,219**

***Provide details of any FDs on Liens with Party Name and FD Amount (including Previous Year amount)**

6(d) Bank balances other than cash and cash equivalents

Particulars	31 Mar, 2021	31st March, 2020
Fixed Deposits with original maturity of more than three months but less than 12 months*		
Unclaimed dividend		
Total Cash and cash equivalents	-	-

***Provide details of any FDs on Liens with Party Name and FD Amount (including Previous Year amount)**

6(e) Other financial Assets

Particulars	Non-current	Current	Non-current	Current
	31 Mar, 2021	31 Mar, 2021	31st March, 2020	31st March, 2020
Fixed deposits with maturity for more than 12 months*		-		-
Security Deposits		5,792,225		7,575,289
Receivable from subsidiaries / Intercompanies		4,015,101		3,400,823
Accrued Revenue		501,525		1,603,031
Loans and Advance to Related Parties		-		-
Insurance claim receivable		-		-
Others		178,537		23,234
Total Other Financial Assets	-	**10,487,388**	-	**12,602,377**

***Provide details of any FDs on Liens with Party Name and FD Amount (including Previous Year amount)**

Note 7: Other Non-Current Assets:

Currency - AED

Particulars	31 Mar, 2021	31st March, 2020
Capital advances		
Prepaid expenses		
Total	-	-

Note 8: Other Current Assets:

Particulars	31 Mar, 2021	31st March, 2020
Advance to Suppliers		
Unsecured, considered good	3,176,276	3,137,266
Unsecured ,considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Advance to Employees	-	-
Unsecured, considered good	92,098	17,286
Unsecured, considered Doubtful	-	-
Less: Allowance for doubtful advances	-	-
Prepaid expenses	435,224	678,134
Balances receivables from Govt. authorities	683,654	1,103,459
Total	**4,387,252**	**4,936,145**

Note 9: Non- Current Tax Assets / Current Tax Liabilities:

Particulars	31 Mar, 2021	31st March, 2020
Opening Balance		
Less: Current Tax payable for the year		
Add: Taxes Paid		
Closing Balances	-	-
Disclosed as:		
Non-Current Tax Assets (as per Balance sheet)		
Current Tax Liability (as per Balance sheet)		

Desert Adventures Tourism LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31 Mar, 2021

Note 10(a) Share Capital and Other Equity:

Particulars	Equity Share Capital#		Preference Share Capital*	
	No of Shares	Amount	No of Shares (In lakhs)	Amount
AUTHORISED				
As at 1st April, 2020	**300,000**	**300,000**		
Increase/(Decrease) during the period				
As at 31st March, 2021	**300,000**	**300,000**	-	-

#Consists of following:
100 (Nos.) (Previous Year 100) Equity Shares of 1000 **(Face Value)**/- each

* Consists of following:
xx (Nos.) (Previous Year **xx**) Equity Shares of **xx (Face Value)**/- each

(i) Movement in Equity Share Capital and other capital during the Year

Particulars	Equity share capital		Preference Share Capital	
	No of Shares	Amount	No of Shares	Amount
As at 1st April, 2020	**300,000**	**300,000**		
Less: Share Forfeited				
Add: exercise of options-proceeds received				
Add: Addition on account of stock options allotment				
Add: Addition on account of fresh issue, etc				
As at 31st March, 2021	**300,000**	**300,000**	-	-

(ii) Terms and rights attached to shares
[Provide details of shares, their terms and rights attched to the shares. Refer below illustrative for reference].

Not applicable

Shares reserved for issue under options
[If not applicable then delete rows 29 to 31. Otherwise, remove row 30]
Information relating to the entity's Employee Option Plans (if any), including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 31.

(iii) Shares of the company held by the Subsidiaries of the ultimate holding company

Particulars	"31 March 2021		"31 March 2020	
	No of Shares	Amount	No of Shares	Amount
Equity Shares				
Mohamed Ameen Hasan	153,000	153,000	153,000	153,000
Travel Circle International Mauritius LTD	147,000	147,000	147,000	147,000
...				
Preference Shares				
Subsidary Name				
Subsidary Name				
...				

(iv) Shareholding Pattern (Shareholders holding 5% or more shares in the Company)

Category of Shareholder	"31 March 2021		"31 March 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity Shares				
Mohamed Ameen Hasan	153,000	51.0%	153,000	51.0%
Travel Circle International Mauritius LTD	147,000	49.0%	147,000	49.0%
...				
Preference Shares				
Subsidary Name				
Subsidary Name				
...				

(v) Aggregate number of shares issued for consideration other than cash

Particulars	31st Mar, 2021	31st March, 2020
Shares issued as consideration for acquisition of Subsidiary (Refer Note **xx (i.e. Provide details in separate note for such acquisition)**)		

Note 10(b) Reserves and surplus Currency - AED -

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Debenture Redemption Reserve	-	-
Share Option Outstanding Amount	-	-
Securities Premium Account	-	-
General Reserve	150,000	150,000
Retained Earnings	(45,135,796)	(38,325,699)
Total reserves and surplus	**(44,985,796)**	**(38,175,699)**

(i) Capital Reserve

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	-	-
Add: Transfer from retained earnings	-	-
Closing Balance	**-**	**-**

(ii) Capital Redemption Reserve

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	-	-
Add: Transfer from retained earnings	-	-
Closing Balance	**-**	**-**

(iii) Debenture Redemption Reserve

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	-	-
Add: Transfer from retained earnings	-	-
Less: Transfer to general reserves	-	-
Closing Balance	**-**	**-**

(iv)Share Option Outstanding Account

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	-	-
Add: Charge for options	-	-
Less: Transfer to Securities Premium on exercise of stock options	-	-
Closing Balance	**-**	**-**

(v) Securities Premium Account

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	-	-
Add: Addition on account of Stock Options allotment	-	-
Add: Transfer from Share Option Outstanding	-	-
Less: Share Issue Expense	-	-
Closing Balance	**-**	**-**

(vi) General Reserve

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	150,000	150,000
Add: Transfer from DRR	-	-
Closing Balance	**150,000**	**150,000**

(vii) Retained Earnings

Particulars	**31 Mar, 2021**	**31 Mar, 2020**
Opening Balance [April 1, 2020]	(38,325,699)	(33,494,393)
Net Profit For the period	(6,810,097)	(4,831,306)
Dividends, including dividend distribution tax	-	-
Items of other Comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	-	-
Transfer to capital redemption reserve	-	-
Transfer to debenture redemption reserve	-	-
Closing Balance	**(45,135,796)**	**(38,325,699)**

Nature and Purpose of Reserves [Update descriptions below as per your local laws/regulations]

General reserves

In accordance with article 103 of the U.A.E Federal Commercial Companies' law (2) of 2015), a minimum of 10% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory

Note 11: Financial Liabilities: AED

11(a) Non-Current Borrowings

Particulars	Maturity Date	Nature of Security	Terms of Payment	Coupon/ Interest Rate	31 Mar, 2021	31st March, 2020
Long term maturities of finance lease obligations:						
Item 1 *[For illustrative purpose - "Obligations under Finance Lease"]*						
Item 2						
...						
Debentures:						
Item 1 *[For illustrative purpose - 1,000 (Previous year - 1,000, 1 April 2015 - 1,000) 10.52% Redeemable Non-Convertible Debentures]*						
Item 2						
Term Loan from Bank - Long Term						
Inter Company Loan - Non current						
Total Non-Current Borrowings					**-**	**-**
Less: Current maturities of Long Term Borrowings (included in note 11(C))	-	-	-	-		
Less: Current maturities of Finance Lease Obligations (included in note 11(C))	-	-	-	-		
Less: Issue Expenses (IND AS Adj)	-	-	-	-		
Less: Interest Accrued (included in note 11(C))	-	-	-	-		
Less: Interest accrued on NCRPS (included in note 11(C))	-	-	-	-		
Non-Current Borrowings (As per Balance Sheet)					**-**	**-**

11(b) Current Borrowings

Particulars	Maturity Date	Terms of Payment	Coupon/ Interest Rate	31 Mar, 2021	31st March, 2020
Unsecured					
Bank Overdrafts		Payable on Demand	LIBOR + 250 Basis poin	16,462,463	17,436,645
Term Loan from Bank - Short term		Payable on Demand	LIBOR + 250 Basis poin	-	-
Inter Company Loan - Short Term - TCIM			LIBOR + 220 Basis poin	13,802,960	-
Total Current Borrowings				**30,265,423**	**17,436,645**
Less: Interest Accrued (included in note 11(c))	-	-	-		
Current Borrowings (As per Balance Sheet)				**30,265,423**	**17,436,645**

11(c) Other Financial Liabilities

Particulars	31 Mar, 2021		31st March, 2020	
	Non-Current	Current	Non-Current	Current
Current				
Current maturities of Redeemable long term debentures / Term Loan (Refer 11(a))	-		-	
Current maturities of Long term Inter Company Loan	-		-	
Current maturities of finance lease obligations (Refer 11(a))	-		-	
Deposits received from vendor	-	-	-	-
Right of Use Liabilities	222,877	435,050	735,973	712,471
Unpaid Dividend @	-	-	-	-
Interest accrued	-	-	-	-
Liabilities against expense	-	1,227,046	-	2,843,461
Liabilities against Fixed Assets [Capital Creditors]	-	-	-	-
Interest payable to Related parties	-	-	-	-
Derivative financial liabilities	-	-	-	-
Guarantees given to bank and others on behalf of subsidiaries	-	-	-	-
Others - Other Payables to Inter Companies	-	4,881,165	-	4,595,143
Total Other Financial Liabilities	**222,877**	**6,543,261**	**735,973**	**8,151,075**

11(d)Trade Payables

Particulars	31 Mar, 2021	31st March, 2020	
-Dues of micro enterprises and small enterprises			
-Dues of creditors other than micro enterprises and small enterprises			
(i) Acceptances			
(ii) Trade pyable to Related Parties			Payable to related parties which are not consolidated under thomas cook group
(iii) Trade pyable to Inter companies			Payable to Thomas cook group companies including DMS Entities
(iv) Other @# - Third	29,835,670	65,828,630	
Total Trade Payables	**29,835,670**	**65,828,630**	

@Includes Book Overdrafts aggregating to **xx (Amount)** (Previous Year **xx**)
#Includes **xx (Amount)** secured by bank guarantee of **xx (Amount)** (Previous Year **xx** secured by bank guarantee of **xx**.)

Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding as at the Balance Sheet date. This information has been determined on the basis of information available with the company. This has been relied upon by the auditors.

Note 12: Other Non-Current Liabilities AED

Particulars	**31 Mar, 2021**	**31st March, 2020**
Income Received In Advance		
Rent Equalisation Reserve		
Others		
Total	**-**	**-**

Note 13: Other Current Liabilities

Particulars	**31 Mar, 2021**	**31st March, 2020**
Income Received in Advance	-	-
Advance receipts from Customers for which value is still to be given	8,544,371	5,325,996
Statutory Dues	-	-
Rent Equalisation Reserve		
Fractional entitlement on Bonus Share Refund Accounts		
Others		
Total	**8,544,371**	**5,325,996**

Note 14: Provisions AED

Particulars	Non-Current	Current	Total	Non-Current	Current	Total
	31 Mar, 2021	31 Mar, 2021		31st March, 2020	31st March, 2020	
Other Provisions						
-Provision for Litigation and disputes			-			-
Total	-	-	-	-	-	-

(i) Movement in Provisions

Particulars	Provision for Litigation and disputes
Closing balance as at 1st April, 2020	
Charged/(credited) to profit or loss	
Closing balance as at 31 Mar, 2021	-

Desert Adventures Tourism LLC
Notes forming part of the Financial Statements as at and for the 12 months ended 31 Mar, 2021

Note 15: Employee Benefit Obligations

Particulars	31 Mar, 2021			31st March, 2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Leave Entitlement	-	909,645	909,645	-	1,322,893	1,322,893
Gratuity	2,776,384	-	2,776,384	3,232,769	-	3,232,769
Other Employee benefits payable	-	38,724	38,724		57,411	57,411
Total	**2,776,384**	**948,369**	**3,724,753**	**3,232,769**	**1,380,304**	**4,613,073**

(i)Leave Obligations - Leave Entitlement
The leave obligations cover the Company's liability for earned leave.

The amount of the provision is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

Particulars	31 Mar, 2021	31st March, 2020
Current leave obligations expected to be settled within next 12 months		

(ii) Post Employment Obligations
[Update details of Post Employment Obligations. Refer illustrative below for reference]
The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

(iii) Defined contribution Plans
The Company has recognised the following amounts in Statement of Profit and Loss for the year:

Particulars	31 Mar, 2021	31st March, 2020
Contribution to Employees State Insurance		
Contribution to Labour Welfare Fund		
Superannuation Contribution		
Contribution to provident fund		
	-	-

Balance Sheet Amounts - Gratuity
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020			-
Current service cost			-
Past Service cost			
Interest expense/(income)			-
Total amount recognised in profit and loss	-	-	-
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)			-
(Gain)/loss from change in demographic assumptions			-
(Gain)/loss from change in financial assumptions			-
Experience (gains)/losses			-
Total amount recognised in other comprehensive income	-	-	-
Employer contributions			-
Benefit payments			-
31 Mar, 2021	-	-	-

The net liability disclosed above relates to funded and unfunded plans as follows:

Particulars	31 Mar, 2021	31st March, 2020
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Deficit of funded plan	-	-
Unfunded plans	-	-
Deficit of gratuity plan	-	-

Significant estimates: Actuarial assumptions and sensitivity for gratuity
The significant actuarial assumptions were as follows:

Particulars	31 Mar, 2021	31st March, 2020
Discount rate		
Salary growth rate		

Sensitivity analysis
Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by **xx** basis points.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	31 Mar, 2021	31 Mar, 2021	31 Mar, 2021
Discount rate			
Salary growth rate			

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.
The major categories of plans assets for gratuity are as follows:

Particulars	31 Mar, 2021			
	Quoted	Unquoted	Total	In %
Insurer (LIC) Managed Funds			-	0%

Risk Exposure for gratuity
Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :
a) Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities. The plan assets investments are in unquoted securities which are subject to interest rate risks and the fund manages the interest rate risks to an acceptable low level.

b) Salary growth & Demographic assumptions- The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lumpsum in nature the plan is not subject to any longevity risks.

Defined benefit liability and employer contributions for gratuity
The weighted average duration of the defined benefit obligation is **xx** years. The expected maturity analysis of undiscounted gratuity is as follows:

Note 15: Employee Benefit Obligations

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 Mar, 2021 - Post Employment Obligations					-

The amounts recognised in the balance sheet and the movements in provident fund over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2020			-
Current service cost			-
Interest expense/(income)			-
Total amount recognised in profit and loss	-	-	-
Remeasurements			-
Experience (gains)/losses			-
Total amount recognised in other comprehensive income	-	-	-
Employees contributions			-
Employer contributions			-
Liabilities assumed/(settled)			-
Benefit payments			-
31 Mar, 2021	-	-	-

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	31 Mar, 2021	31st March, 2020
Present value of funded obligations		
Fair value of plan assets		
Deficit of funded plan	-	-
Unfunded plans		
Deficit of provident fund plan	-	-

Significant estimates: Actuarial assumptions and sensitivity for provident fund

The significant actuarial assumptions were as follows:

Particulars	31 Mar, 2021	31st March, 2020
Discount rate		
Future derived return on assets		

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
Particulars	**Change in assumptions**	**Increase in assumptions**	**Decrease in assumptions**
	31 Mar, 2021	**31 Mar, 2021**	**31 Mar, 2021**
Difference between rate earned and guaranteed rate			

Major categories of plans assets for provident fund are as follows:

Particulars	31 Mar, 2021			
	Quoted	**Unquoted**	**Total**	**In %**
Equities and related investment			-	0.0%
Government of India Securities			-	0.0%
Other Debt Instruments			-	0.0%
Others			-	0.0%
Special deposits scheme			-	0.0%
Total	-	-	-	-

Risk Exposure for provident fund

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which is detailed below:

Asset volatility- The plan liabilities are calculated using a discount rate set with reference to bond yields, if the plan assets underperform this yield, this will create a deficit. Further any decrease in the bond yields will increase the plan liabilities.

Note 17: Revenue from Operations

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Sale of Services	77,436,870	240,820,260
Other Operating Revenue		
-Liabilities no longer required written back		
-Education and Training Revenue		
-Miscellaneous Receipts		
Total	77,436,870	240,820,260

Note 18: Other Income and other gains/(losses)
(a) Other Income

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Interest Income		
-On Bank Deposits		
-On Others	9,051	1,881
-On Loan to related party	-	-
-On Income Tax Refund	-	-
Dividend Income	-	-
-From Subsidiaries	-	-
-From Mutual Fund Investments	-	-
Rental Income	-	-
Facilities and Support Services fees	-	-
Group Resource Income [GRC]	664,507	2,058,863
Consultancy income	-	-
Liabilities no longer required written back	-	-
Miscellaneous Income	244,307	938,201
Total	917,865	2,998,945

(b) Other gains (net)

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Profit on sale of property, plant and equipment (Net)	66,000	6,000
Exchange gain other than in the normal course of business as an authorised foreign exchange dealer	260,106	482,310
Total	326,106	488,310

Note 19: Employee Benefit Expense

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Salaries Wages and Bonus	7,054,835	15,368,456
Contribution to Provident and Other Funds	-	-
Gratuity	481,998	492,106
Employees Share based payment expense	-	-
Staff Welfare Expenses	1,299,320	1,898,986
Compensated absences	-	-
Staff Training, Recruitment and Other Costs	101,249	230,903
Incentives to Staff	-	-
Total	8,937,402	17,990,451

Note 20: Depreciation and Amortisation Expense

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Depreciation on Tangible Assets	252,148	196,365
Amortisation on Intangible Assets	162,592	123,673
ROU Assets Depreciation	588,141	379,274
Total	1,002,881	699,312

Note 21: Other Expenses

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Rent	134,113	550,396
Stores and tools consumed	-	-
Electricity	24,533	38,615
Repairs to Building	-	-
Repairs to Plant and machinery	10,175	64,097
Repairs to Others	368,971	355,267
Insurance	85,550	82,520
Rates and Taxes	-	-
Licence Fees	122,396	139,266
Security Services	44,400	44,400
Travelling Expenses	42,501	544,172
Vehicle Running and Maintenance Expenses	167,015	485,400
Directors Sitting Fees	-	-
Commission to Directors	-	-
Legal and Professional Charges (refer note 21 (a))	385,792	456,457
Printing and Stationery	16,796	247,811
Water charges	-	-
Communication expenses	279,688	483,811
Exchange loss other than in the normal course of business as an authorised foreign exchange dealer	-	-
Freight Currency Shipment	-	-
Bad Debts and Advances Written Off	-	-
Provisions for doubtful debts and Advances (net off bad debt written off)	172,186	621,231
Expenditure towards CSR (refer note 21 (b))	-	-
Donations	-	-
Inter Compnay Other Expenses	88,207	863,362
Inter Compnay Management Fee (Expenses)	260,624	302,898
Loss on sale of property, plant and equipment (Net)	-	-
Miscellaneous Expenses	1,032,606	967,822
Total	3,235,553	6,247,525

Note 21 (a): Details of payments to auditors included in Row 75 -"Legal and Professional Charges" above

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Payment to auditors		
As auditor:		
-Statutory Audit		
-Tax audit		
-Miscellaneous Reports		
In other capacities		
-Re-imbursement of expenses		
Total payments to auditors	-	-

Note 21 (b): Corporate social responsibility expenditure

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
(a) Gross amount required to be spent by the Company during the year		
(b) Amount spent and paid during the year on		
Eradicating Hunger, Poverty & Malnutrition, Promoting Health-Care Including Preventive Health-Care And Sanitation		

Note 22: Finance Costs

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
Interest and finance charges on financial liabilities not at fair value through profit and loss		
Inter Company Interest expenses	187,156	204,724
Other Finance Charges	909,979	898,809
Interest on ROU Liabilities (IFRS 16/IND AS 116)	36,306	33,217
Total	1,133,441	1,136,750

Note 23: Income Tax Expense

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
(a) Income tax expense		
Current tax		
Current tax on profits for the year		
Adjustments for current tax of prior periods		
Total current tax expense	-	-
Deferred tax		
Decrease (increase) in deferred tax assets		
(Decrease) increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

(b) The reconciliation of tax expense and the accounting profit multiplied by Local's tax rate :

Particulars	31 Mar, 2021	1 April 2019 to 31 March, 2020
(Loss)/Profit from continuing operations before income tax expense	(6,810,097)	(4,831,305)
Tax at the Local tax rate of 0 %	-	-
Tax effect of amounts which are not deductible(taxable) in calculating taxable income:		
Non Deductible expenses		
Tax exempt income		
Unrecognised tax losses		
Deferred tax for earlier periods		
Difference in enacted tax rates		
Reversal of goodwill		
Employee share based payment expense as per Ind AS		
Other Items - Please mention nature		
Other Items - Please mention nature		
Other Items - Please mention nature		
Income tax expense	-	-

Note 16: Deferred Tax Assets/(Liabilities):

The balance comprises of temporary differences attributable to:

Particulars	As at 31 Mar, 2021	As at 31st March, 2020
Deferred Tax (Liabilities)		
On Fiscal Allowances on Fixed Assets		
Other Items		
On NCD issue expenses		
Less: Deferred Tax Assets		
On provisions allowable for tax purpose when paid		
On Provision for Doubtful Debts and Advances		
On Rent escalation		
On unabsorbed depreciation		
On unabsorbed Business losses		
Other Items		
	-	-
Net Deferred Tax Assets/ (Liabilities)	-	-

Movement in Deferred Tax Assets / (Liabilities)

Particulars	On Fiscal Allowances on Fixed Assets	On provisions allowable for tax purpose when paid	On Provision for Doubtful Debts and Advances	On unabsorbed depreciation	Other Items	Total
As at 1st April, 2020						-
(charged)/credited						
-to profit or loss						-
-to other comprehensive income						-
As at 31 Mar, 2021	-	-	-	-	-	-

Significant estimates-

The Company has recognised deferred tax assets on carried forward tax losses. The company estimates that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The unabsorbed depreciation can be carried forward for unlimited years and losses for a period of 8 years as per local tax regulations and the company expects to recover the losses.

Note 24: Capital management:

24 (a): Risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet). Total capital is calculated as 'equity' as shown in the balance sheet plus debt.

During the periods presented, the Company's strategy has been unchanged. The credit rating was unchanged and the gearing ratios as at the period ends were as follows:

	31 Mar, 2021
Debt	79,136,355.0
Total equity	(44,685,796.0)
Debt to equity ratio	-177.1%

[Note - Debt = Non-Current Borrowing + Current Borrowing - Cash & Cash Equivalents]

Loan Covenants

Not applicable, since the company does not have covenants under the facilities availed.

24 (b): Proposed Dividends

	31 Mar, 2021
Equity shares	
Final dividend paid during the year **xx (Amount)** per fully paid share (Previous Year of **xx** per fully paid share)	
Dividends not recognised at the end of the reporting period	
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of **xx (Amount)** per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	

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-

Note 30: Related Party Transactions
(a) Parent Entities
The Company is controlled by the following entity:

Name	Type	Place of Incorporation	Ownership Interest (%)
			31 Mar, 2021
Travel Circle International	Parent entity	Mauritius	49.0%

(b) Name of the related party and related party relationship

Name of Entity	Place of Business/country of incorporation	Relationship
Muscat Desert Adventures Tourism LLC	Oman	Subsidiary
Desert Adventures Tourism - Amman	Jordan	Subsidiary
Travel Circle International (Mauritius) Limited	Mauritius	Parent
Gulf Dunes Dubai LLC	UAE	Associate through common ownership
Reem Tours LLC		Associate through common ownership
Asian Trails Vietnam		Associate through common ownership
Asian Trails Holding Ltd		Associate through common ownership
Kuoni Private Safaris – Namibia		Associate through common ownership
Jordan Desert Adventures Tourism LLC		Associate through common ownership
Allied Tpro Inc.		Associate through common ownership
Australian Tours Management Pty Ltd		Associate through common ownership
SOTC Travel Limited		Associate through common ownership
Kuoni Private Safaris Limited		Associate through common ownership
Kuoni Private Safaris E.A Limited		Associate through common ownership
Asian Trails Malaysia		Associate through common ownership
...		

[Note 1 - Include all related parties including related parties which are not from TCIL Group.]
[Note 2 - For TCIL Group Related Parties, refer the chart as would be shared by TCIL each quarter.]

(c) Other Related Parties with whom the Company had transactions during the year / period
Fellow subsidiaries:
- **Related Party 1**
- **Related Party 2**
- **...**

(d) Key Management personnel
KMP 1
KMP 2
...

Relatives of key management personnel:
Relative 1 (also specify relation with KMP)
Relative 2 (also specify relation with KMP)
...

(e) Key Management personnel compensation

Particulars	31 Mar, 2021
Short-term employee benefits*	
Post-employment benefits	**
Long-term employee benefits	
Employee share-based payment	**

* Includes the commission paid to non-executive director
** These amounts are included in the respective notes specifying the total amount of benefits paid.

(f) Transactions with related parties
The following transactions occurred with related parties:

Nature of transaction	31 Mar, 2021
(i) Ultimate Holding Company	
Reimbursement of Expenses (Net)	
[Specify each related party name and transaction/balance amount seperately below each head]	
Balances as at the year / period end - Outstanding Receivables	
[Specify each related party name and transaction/balance amount seperately below each head]	
Other transactions [Provide Description]	
[Specify each related party name and transaction/balance amount seperately below each head]	
(ii) Holding Company	
Reimbursement of Expenses (Net)	
[Specify each related party name and transaction/balance amount seperately below each head]	
Dividend remitted	
[Specify each related party name and transaction/balance amount seperately below each head]	
(iii) Subsidiary Companies	
Subscription of Equity Share Capital	
[Specify each related party name and transaction/balance amount seperately below each head]	
Sale of Equity Share	
[Specify each related party name and transaction/balance amount seperately below each head]	
Reimbursement of Expenses (Net)	
Desert Adventures Tourism Jordan	***600,000***
Asian Trails Ltd [ATT]	***-***
Asian Trails (Vietnam) Co. Ltd [ATV]	***8,064***
Asian Trails Tours Ltd [ATM]	***8,064***
Asian Trails Co. Ltd [ATC]	***8,064***
Asian Trails SDN BHD [ATMA]	***8,064***
AT Lao Co. Ltd [ATL]	***8,064***
Austrailia Tours Management Pty Ltd [AUTM]	***8,064***
Asian Trails International Travel Services (Beijing) Ltd [ATCN]	***8,064***
PT Asian Trails Ltd [ATI]	***8,064***
	-
	-
	664,512.0

Note 30: Related Party Transactions

[Specify each related party name and transaction/balance amount seperately below each head]	
Consultancy Income	
[Specify each related party name and transaction/balance amount seperately below each head]	
Sale of Services	
[Specify each related party name and transaction/balance amount seperately below each head]	
Thomas Cook (India) Limited [TCIL]	***103,867***
SOTC Travel Ltd [SOTC]	***1,706,505***
TC Visa Services (India) Ltd [TCVP]	***596,165***
Gulf Dunes LLC [GDDUB]	***(12,510)***
	-
	-
	-
	2,394,027
Facilities and Support Services Provided	
[Specify each related party name and transaction/balance amount seperately below each head]	
Facilities and Support Services Received	
JTSL - Jardin Travel Services Limited	***66,181***
TCIL	***253,475***
SOTC	***4,587***
Services Availed # (Hotel and Ground Services)	-
DAOMN - Desert Adventures Tourism (Oman) IN	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Other professional charges (Outsourced staff)	-
13. TC Travel Services Limited [TC Travel]	***466,246***
Data processing fees	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Corporate Guarantee Fees	-
1. Thomas Cook (India) Limited [TCIL]	***134,209***
	-
Directors deposit fees paid	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
ESOP Push Down	-
below each head]	-
Interest on Loan Received	-
24. Travel Circle International (Mauritius) Ltd [TCIM]	***187,156***
Loan Given to Subsidiary	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Repayment of Loan from Subsidiary	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Interim Dividend Received	-
below each head]	-
Other transactions **[Bank Account Handling]**	-
ATP - AlliedTPro IN	**22,026**
	-
(iv) Fellow subsidiaries	-
Reimbursement of Expenses (Net)	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Subscription to NCRPS	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Dividend remitted	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
Other transactions **[Provide Description]**	-
[Specify each related party name and transaction/balance amount seperately below each head]	-
(v) Key Management Personnel	-
Remuneration	-
[Specify each KMP name and transaction/balance amount seperately below each head]	-
@ Gratuity is contributed for the Company as a whole and hence excluded.	0
	-
Commission to Non-Executive Director	-
[Specify each NED name and transaction/balance amount seperately below each head]	-
	-
Sitting fees to Non-Executive Director	-
[Specify each NED name and transaction/balance amount seperately below each head]	-
	-
(vi) Relatives of key management Personnel	-
Rent Expense	-
[Specify each KMP Relative Name, Relation with KMP and transaction/balance amount seperately below each head]	-
Other transactions **[Provide Description]**	-
[Specify each KMP Relative Name, Relation with KMP and transaction/balance amount seperately below each head]	-
	-
Balances as at the year end	-
Deposit Receivable	-
[Specify each KMP Relative Name, Relation with KMP and transaction/balance amount seperately below each head]	-
Other Receivables/Payables **[Provide Description]**	-
	-

Note 30: Related Party Transactions

Gulf Dunes LLC [GDDUB]	*3,550,854*
TC Visa Services (India) Ltd [TCVP]	*235,496*
SOTC Travel Ltd [SOTC]	*223,661*
Kuoni Private Safaris (Pty.) Ltd [PSSA]	*2,803*
Digiphoto Entertainment Imaging (DEI)	*2,287*
[Specify each KMP Relative Name, Relation with KMP and transaction/balance amount seperately below each head]	
	4,015,101

(g) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31 Mar, 2021
Outstanding Trade payables	
Loans taken outstanding	
24. Travel Circle International (Mauritius) Ltd [TCIM]	*13,802,960*
Interest on Loans taken Payable	
24. Travel Circle International (Mauritius) Ltd [TCIM]	
Advance and deposits received [Provide Description]	
[Specify each related party name and transaction/balance amount seperately below each head]	
Other Payables [Provide Description]	
27. Austrailia Tours Management Pty Ltd [AUTM]	*2,635*
14. Travel Corporation (India) Limited [TCI]	*5,969*
25. Horizon Travel Services LLC [ATP]	*11,653*
13. TC Travel Services Limited [TC Travel]	*172,405*
24. Travel Circle International (Mauritius) Ltd [TCIM]	*187,156*
15. Jardin Travel Solutions Limited [JTSL]	*244,874*
42. Muscat Desert Adventures Tourism LLC [DAOMAN]	*527,178*
38. Reem Tours & Travels LLC [REEMDUB]	*608,868*
1. Thomas Cook (India) Limited [TCIL]	*965,565*
43. Desert Adventures Tourism Ltd [DAJOR]	*2,154,862*
[Specify each related party name and transaction/balance amount seperately below each head]	
Total payables to related parties	**18,684,125**

Particulars	31 Mar, 2021
Trade receivables	
[Specify each related party name and transaction/balance amount seperately below each head]	
Advance and Deposits Given	
[Specify each related party name and transaction/balance amount seperately below each head]	
Interim dividend receivable	
[Specify each related party name and transaction/balance amount seperately below each head]	
Loans Given	
[Specify each related party name and transaction/balance amount seperately below each head]	
Interest receivable on Loan Given	
[Specify each related party name and transaction/balance amount seperately below each head]	
Other Receivables [Provide Description]	
[Specify each related party name and transaction/balance amount seperately below each head]	
Total receivables to related parties	-

(h) Loans to/from related parties

Particulars	31 Mar, 2021
Loan to subsidiaries	
Outstanding at Beginning of the year	
Loans advanced	
Loan repayment received	
Interest charged	
Interest Received	
End of the year	-

Note 25: Contingent liabilities:

Contingent liabilities

Particulars	**31 Mar, 2021**
Claims against the Company not acknowledged as debts	
Disputed claims made by clients	
Disputed Labour law suits	
Other Claims *[Provide description also. Eg. - Demand from Electric Supply and Transport Authority for electricity charges]*	
Disputed Income tax demands	
Disputed Service Tax Demands	
Guarantees given to Banks and others on behalf of Subsidiaries	893,036
Disputed demand for Increase in rent raised by Brihanmumbai Municipal Corporation	

(a) It is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursement in respect of the above contingent liabilities.

Note 26: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**31 Mar, 2021**
Estimated value of contracts on capital account remaining to be executed	

(b) Non-cancellable operating leases

The company leases various offices, warehouses and retail stores under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Particulars	**31 Mar, 2021**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	
Later than one year but not later than five years	
Later than five years	
Total	**-**

Rental expense relating to operating leases

Particulars	**31 Mar, 2021**
Minimum lease payments	
Total rental expense relating to operating leases	**-**

The above lease payments include lease arrangements entered into with airport authorities for operating foreign exchange counters at airports. Such arrangements include lease payments in the form of minimum guarantee fees and/or payments based on a percentage of revenue achieved through the counters, or both.

(c) Financing leases:

	Particulars	**31 Mar, 2021**
(i)	Minimum Lease Payments payable	
	Not later than one year	
	Later than one year but not later than five years	
		-
(ii)	Present Value of Minimum Lease Payments payable	
	Not later than one year	
	Later than one year but not later than five years	
		-
(iii)	Reconciliation of Minimum Lease Payments and their Present Value	
	Minimum Lease Payments Payable as per (i) above	-
	Less: Finance Charges to be recognised in subsequent years	-
	Present Value of Minimum Lease Payments payable as per (ii) above	**-**
(iv)	Finance Charges recognised in the Statement of Profit and Loss	

Note 27: Events occurring after the reporting period

Declaration of final dividend

Refer to note 24 (b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 28: Fair value measurements

Financial instruments by category

		31 Mar, 2021	
	FVPL	FVOCI	Amortised cost
Financial assets			
Equity instruments - Investment			
Mutual funds			
Security Deposits			
Deposits with banks with more than 12 months maturity			
Trade receivable			10,149,780
Cash and cash equivalents			6,492,552
Others			10,487,388
Total financial assets	**-**	**-**	**27,129,720**
Financial liabilities			
Borrowings			30,265,423
Trade Payable			29,835,670
Payable to related parties			
Others			6,543,261
Total financial liabilities	**-**	**-**	**66,644,354**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at 31 Mar, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Desert Adventures Tourism - Amman				-
Muscat Desert Adventures Tourism LLC			1,435,575	1,435,575
...				-
Total Financial Assets	**-**	**-**	**1,435,575**	**1,435,575**

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 Mar, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Security Deposits			5,792,225	5,792,225
Total Financial Assets	**-**	**-**	**5,792,225**	**5,792,225**
Borrowings			30,265,423	-
Total Financial Liabilities	**-**	**-**	**5,792,225**	**11,584,450**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- the foreign exchange forward contracts are marked to market using forward FEDAI rates pertaining to the date of maturity of the contract at the balance sheet date.
- Discount rates to fair value of financial assets and liabilities at amortised cost is based on general lending rate.

(iii) Fair value of financial assets and liabilities measured at amortised cost

	31 Mar, 2021	
	Carrying amount	Fair value
Financial assets		
Security Deposits	5,792,225	5,792,225
Financial liabilities		
Non current Borrowings		

The carrying amounts of Accrued revenue, insurance claim receivable, advance to related parties, current borrowings, trade payables, trade receivable, other financial liabilities, cash and cash equivalents and other bank balances are considered to be the same as their fair values due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 29: Financial risk management

The Company's activities expose it to credit risk, market risk and liquidity risk.

The company' has an overall Enterprise Risk Management policy, approved by the Audit Committee of the Board of Directors. Risks are managed by the individual Business Units, or the Support Services' unit, entering into the base transactions, which give rise to the risks. The Executive Committee (comprising the Chairman & Managing Director, the Chief Financial Officer, and the Heads of the Business Units and Support Services' units) has the overall responsibility for the risk management framework and its effectiveness, with the respective Heads of Business Units/ Support Services' units, being responsible for its implementation and day-to- day monitoring.

(A) Credit Risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. To manage this, the company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, analysis of historical bad debts and ageing of accounts receivable as of different reporting periods.

Analysis of Trade receivables ageing of last 4 years

	Less than 1 year	More than 1 year	Total
31 March 2020	**10,149,780**		10,149,780
31 March 2019	**26,795,463**		26,795,463
31 March 2018			-

Reconciliation of loss allowance provision – Trade receivables

Reconciliation of loss allowance	**Amount**
Loss allowance on 1st April, 2020	**(2,886,605)**
Changes in loss allowance	(172,186)
Loss allowance on 31 March 2021	**(3,058,791)**

(B) Market risk

(i) Foreign currency risk

The Company enters into foreign currency transactions in the Foreign Exchange and Leisure Travel Outbound businesses. The currency risk arising out of foreign currency transactions in the Foreign Exchange business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, or through forward contracts, thereby ensuring that there are minimal open positions. In the Leisure Travel Outbound business, package prices are denominated partly in the functional currency of the Company, Indian Rupees (INR), and partly in foreign currencies. The portion of customer collection in foreign currencies, which is parked in Nostro bank accounts, is used to pay off vendor liabilities, denominated in foreign currencies, thereby creating a natural hedge. As a result, the risk related to foreign currency exchange rate fluctuation is insignificant.

(a) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 Mar, 2021			
	EUR	**GBP**	**USD**	**Others**
Cash and cash equivalents				
Other financial assets				
Trade payables and other financial liabilities				
Gross Expsoure	-	-	-	-
Forward contracts				
Net Exposure	-	-	-	-

(b) Sensitivity:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

	Impact on profit after tax		**Impact on other components of equity**	
	31 Mar, 2021		**31 Mar, 2021**	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
Effect in INR				
1% movement				
EUR				
GBP				
USD				

*Holding all other variables constant

Note 29: Financial risk management
(B) Market risk
(ii) Interest Rate risk exposure
The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 Mar, 2021
Variable rate borrowings	30,265,423

As at the end of the reporting period, the company had the following variable rate borrowings:

	31 Mar, 2021		
	Weighted average interest rate	**Balance**	**% of total loans**
Term loans	LIBOR + 220 Basis point	13,802,960	45.6%
Bank overdrafts		16,462,463	54.4%
Net exposure to cash flow interest rate risk	**-**	**30,265,423**	**100%**

Sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.
Changes in interest rate are based on historical movement.

	Impact on profit after tax
	31 Mar, 2021
Interest rates - increase by 100 basis points *	
Interest rates - decrease by 100 basis points *	-

* Holding all other variables constant

(iii) Price Risk
Exposure
The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. Since the company does not have material equity investments, the company does not have a material price risk exposure as of reporting period.

Note 29: Financial risk management
(C) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the company's liquidity position (comprising the unused cash and bank balances along with temporary investments in fixed deposits and/or liquid mutual funds) on the basis of expected cash flows.

(i) Financing arrangements

	31 Mar, 2021
Floating rate	
-expiring within one year (bank overdraft)	30,265,423
	30,265,423

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

(ii) Maturities of financial liabilities
The tables below analyse the company's financial liabilities into relevant maturity based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	**< 1 year**	**Between 1 and 2 years**	**> 2 years**	**Total**
31 Mar, 2021				
Borrowings	30,265,423			30,265,423
Trade payables	29,835,670			29,835,670
Other financial liabilities	6,543,261			6,543,261
Total liabilities	**66,644,354**	**-**	**-**	**66,644,354**

Australian Tours Management Pty Ltd

ABN 33 133 085 775

Annual Report - 31 December 2020

Australian Tours Management Pty Ltd
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Eng Waa Teh
Laurent Kuenzle
Madhavan Karunakaran Menon
Marcel Grifoll

Principal activities
Established in Melbourne in 1983, Australian Tours Management (ATM) has built a reputation as one of Australia's leading inbound and destination management service providers. Its acquisition in 2008 by Kuoni Travel Holding Ltd and subsequently by Travel Circle International (Mauritius) Limited in 2017 has provided ATM access to a broad worldwide network in the travel industry.

There has been no significant change in the nature of the entity's principal activity during the year.

Review of operations
The loss for the company after providing for income tax amounted to $353,832 (31 December 2019: $165,826).

Significant changes in the state of affairs
Since early this financial year, operations of the business have been significantly affected by the COVID-19 virus resulting in travel to Australia and around Australia becoming restricted by the Australian and State Governments adversely affecting the operations of the company, the results of those operations and the state of affairs of the company. Uncertainty from these events and the impact on the financial performance and financial position of the company is uncertain.

There were no other significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
Since early this financial year, operations of the business have been significantly affected by the COVID-19 virus resulting in travel to Australia and around Australia becoming restricted by the Australian and State Governments adversely affecting the operations of the company, the results of those operations and the state of affairs of the company. Uncertainty from these events and the impact on the financial performance and financial position of the company is uncertain.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
The impact of the COVID-19 virus on the status and level of operations in the volume of inbound tourists travelling to Australia is uncertain and accordingly the likely developments on the business are difficult to determine.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh	**Laurent Kuenzle**
Director	Director

29 July 2021
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN TOURS MANAGEMENT PTY LTD

I declare that, to the best of my knowledge and belief during the year ended 31 December 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 29th day of July, 2021

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Australian Tours Management Pty Ltd
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31 December 2020

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General information

The financial statements cover Australian Tours Management Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Australian Tours Management Pty Ltd's functional and presentation currency.

Australian Tours Management Pty Ltd is an unlisted public company limited by shares.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 July 2021. The directors have the power to amend and reissue the financial statements.

Australian Tours Management Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	2020 $	2019 $
Revenue			
Sales Revenue	3	2,645,244	19,725,826
Cost of Sales		(1,848,301)	(16,719,677)
Gross profit		796,943	3,006,149
Other Income	3	604,960	-
Interest Income		1,445	33,501
Expenses			
Employee benefits expense		(1,516,486)	(2,478,920)
Depreciation		(29,387)	(57,443)
Other expenses		(11,776)	(17,692)
Administration		(399,531)	(651,421)
Loss before income tax expense		(353,832)	(165,826)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of Australian Tours Management Pty Ltd	15	(353,832)	(165,826)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Australian Tours Management Pty Ltd		(353,832)	(165,826)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Australian Tours Management Pty Ltd
Statement of financial position
As at 31 December 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	5	416,213	1,564,460
Trade and other receivables	6	120,844	2,953,990
Advances to related entities	19	2,838,249	2,807,806
Prepaid expense		52,023	30,401
Total current assets		3,427,329	7,356,657
Non-current assets			
Property, plant and equipment	7	11,022	23,081
Intangible software	8	23,669	39,866
Deferred tax assets	9	144,301	144,301
Total non-current assets		178,992	207,248
Total assets		3,606,321	7,563,905
Liabilities			
Current liabilities			
Trade and other payables	10	445,288	3,436,030
Employee benefits provisions	11	120,063	351,398
Deferred revenue	12	31,595	454,646
Total current liabilities		596,946	4,242,074
Non-current liabilities			
Employee benefits provisions	13	74,906	33,530
Total non-current liabilities		74,906	33,530
Total liabilities		671,852	4,275,604
Net assets		2,934,469	3,288,301
Equity			
Issued capital	14	500,000	500,000
Retained earnings	15	2,434,469	2,788,301
Total equity		2,934,469	3,288,301

The above statement of financial position should be read in conjunction with the accompanying notes

Australian Tours Management Pty Ltd
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 January 2019	500,000	-	2,954,127	3,454,127
Loss after income tax expense for the year	-	-	(165,826)	(165,826)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(165,826)	(165,826)
Balance at 31 December 2019	500,000	-	2,788,301	3,288,301

	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 January 2020	500,000	-	2,788,301	3,288,301
Loss after income tax expense for the year	-	-	(353,832)	(353,832)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(353,832)	(353,832)
Balance at 31 December 2020	500,000	-	2,434,469	2,934,469

The above statement of changes in equity should be read in conjunction with the accompanying notes

Australian Tours Management Pty Ltd
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		2,549,329	10,698,033
Receipts from related parties		3,026,322	8,711,009
Government support		707,700	-
Payments to suppliers and employees		(7,401,469)	(19,014,944)
		(1,118,118)	394,098
Interest received		1,445	-
Net cash from/(used in) operating activities		(1,116,673)	394,098
Cash flows from investing activities			
Payments for property, plant and equipment	7	(1,132)	(53,953)
Net cash used in investing activities		(1,132)	(53,953)
Cash flows from financing activities			
Advances made by related parties	19	(30,442)	(408,584)
Net cash used in financing activities		(30,442)	(408,584)
Net decrease in cash and cash equivalents		(1,148,247)	(68,439)
Cash and cash equivalents at the beginning of the financial year		1,564,460	1,632,899
Cash and cash equivalents at the end of the financial year	5	416,213	1,564,460

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The company recognises revenue as follows:

Sales revenue
The company renders a wide range of travel services. The revenue from rendering these services is recognised in the statement of comprehensive income at the time when the significant risks and rewards are transferred to the customers. In the case of destination management activities, this is generally on the date of arrival.

Revenue comprises net sales revenues from the tour operating business (after deduction of sales taxes, goods and services tax, discounts and commissions).

Unconditional payments due from customers for satisfied performance obligations are recorded as sales receivables within other assets on the Statement of Financial Position. Customer prepayments are recorded as deferred revenue within accounts payable and accrued liabilities on Statement of Financial Position and are not recognised as revenue until the provision of services occurs. Certain contracts include multiple deliverables which are accounted for as separate performance obligations, with the transaction price allocated among the performance obligations based on their individual selling prices.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Significant accounting policies (continued)

Income tax
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the parent entity.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entity where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

The company does not pay tax on an individual basis. All the profits are transferred to Kuoni Australia Holding Pty Ltd, the parent entity for the company. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group. On this basis the company recognises its own individual income tax liabilities.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts and unpresented cheques are shown in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets
Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Right-of-use assets that meet the definition of investment property are measured at fair value where the company has adopted a fair value measurement basis for investment property assets.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Deferred Revenue
Deferred revenue represent the company's obligation to provide services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has provided or services to the customer.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on: .costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The unutilised tax losses available to the Company amounts to $1,113,408.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Sales Revenue

	2020 $	2019 $
Revenue		
Sales - external parties	1,355,354	11,327,684
Sales - related parties	1,289,890	8,398,142
	2,645,244	19,725,826

The Company operates in only one geographical region being Australia.

Other income of $804,960 during the period is attributable to Job-Keeper payments received from the government as part of support provided as a result of the COVID-19 pandemic

Note 4. Income tax expense

	2020 $	2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(353,832)	(165,826)
Tax at the statutory tax rate of 26%	(91,996)	(43,115)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised	91,996	43,115
Income tax expense	-	-

Note 5. Current assets - cash and cash equivalents

	2020 $	2019 $
Cash and cash equivalents	416,213	1,564,460

Note 6. Current assets - trade and other receivables

	2020 $	2019 $
Trade receivables - external parties	33,288	1,218,612
Less: provision for doubtful debts	(9,704)	(1,054)
	23,584	1,217,558
Trade receivables - related entities	-	1,736,432
Other receivables	97,260	-
	120,844	2,953,990

Note 7. Non-current assets - property, plant and equipment

	2020 $	2019 $
Property, plant and equipment	188,555	187,424
Less: Accumulated depreciation	(177,533)	(164,343)
	11,022	23,081

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office Equipment $	Furniture & Fittings $	Computers $	Total $
Balance at 1 January 2020	12,012	382	10,687	23,081
Additions	-	-	1,132	1,132
Depreciation expense	(3,495)	(278)	(9,418)	(13,191)
Balance at 31 December 2020	8,517	104	2,401	11,022

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Note 8. Non-current assets - Intangible software

	2020 $	2019 $
Intangible software	143,207	143,207
Less: Accumulated amortisation	(119,538)	(103,341)
	23,669	39,866

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Software $	Total $
Balance at 1 January 2020	39,866	39,866
Amortisation expense	(16,197)	(16,197)
Balance at 31 December 2020	23,669	23,669

Note 9. Non-current assets - Deferred tax assets

	2020 $	2019 $
Deferred tax asset	144,301	144,301

Note 10. Current liabilities - trade and other payables

	2020 $	2019 $
Trade and other payables	346,925	3,394,727
Customer deposits	98,363	41,303
	445,288	3,436,030

Note 11. Current liabilities - Employee benefits provisions

	2020 $	2019 $
Employee benefits provisions	120,063	351,398

Note 12. Current liabilities - Deferred revenue

	2020 $	2019 $
Deferred revenue	31,595	454,646

Deferred revenue

Note 13. Non-current liabilities - Employee benefits provisions

	2020 $	2019 $
Employee benefits provisions	74,906	33,530

Note 14. Equity - issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Issued capital	500,000	500,000	500,000	500,000

Ordinary shares
The company has 500,000 ordinary fully paid shares (2019: 500,000). Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 15. Equity - Retained earnings

	2020 $	2019 $
Retained profits at the beginning of the financial year	2,788,301	2,954,127
Comprehensive loss after income tax expense for the year	(353,832)	(165,826)
Retained profits at the end of the financial year	2,434,469	2,788,301

Note 16. Cash Flow Information

	2020 $	2019 $
Profit/(loss) after income tax	(353,832)	(165,826)
Loss on Disposal of Motor Vehicle	-	4,738
Depreciation	29,387	57,443
(Increase)/Decrease in Trade and Other Rec	2,833,144	(354,547)
(Increase)/decrease in trade receivables and prepayments	(21,621)	52,614
Increase/(decrease) in trade payables and accruals	(3,413,793)	882,398
Increase/(decrease) in provisions	(189,958)	(82,722)
Cash flow from operations	(1,116,673)	394,098

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2020 $	2019 $
Aggregate compensation	320,327	560,125

Note 18. Contingent liabilities

The company is not aware of any matter pending that may give rise to any contingent liability.

Note 19. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 17.

Transactions with related parties
The following transactions occurred with related parties:

	2020 $	2019 $
Sale of goods and services:		
Sale of goods to other related parties within the Fairfax Financial Holdings Limited Group	1,289,980	8,398,142

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2020 $	2019 $
Current receivables:		
Loan to Kuoni Holdings Limited	2,838,249	2,807,806

Terms and conditions
All loans provided are non-interest bearing

Note 20. Events after the reporting period

Since early this financial year, operations of the business have been significantly affected by the COVID-19 virus resulting in travel to Australia and around Australia becoming restricted by the Australian and State Governments adversely affecting the operations of the company, the results of those operations and the state of affairs of the company. Uncertainty from these events and the impact on the financial performance and financial position of the company is uncertain.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 21. Economic Dependency

As at 31 December 2020 the company recorded a loss after tax of $353,832 and had a receivable of $2,838,249 owing to it by the parent entity Kuoni Australia Holding Pty Ltd ("Kuoni"). The continued economic support of both Australian Tours Management Pty Ltd & Kuoni from the ultimate parent entity is a fundamental element of the capacity of the company to meet its debts as and when they fall due and therefore a significant decision of the directors in preparing the financial report on a going concern basis.

The company has received a commitment of continuous financial support from the parent company, Travel Circle International (Mauritius) Limited. This commitment of financial support is given on the basis that Travel Circle International (Mauritius) Limited controls the ownership of the company and that the company will continue to be economically dependent upon of Travel Circle International (Mauritius) Limited for its financial and operational stability.

In the event that this support is withdrawn, this may necessitate a restatement of the valuation and classification of assets and liabilities in the statement of financial position.

Further to this economic dependency, in light of the events occurring after the reporting date described in Note 20, the commitment of continuous financial support from the parent company, Travel Circle International (Mauritius) Limited is further emphasised.

Australian Tours Management Pty Ltd
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

29 July 2021

William Buck

Australian Tours Management Pty Ltd
Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion
We have audited the financial report of Australian Tours Management Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Material uncertainty regarding going concern

We draw attention to note 21 in the financial report which indicates that the Company incurred a net loss of $353,979 and had a receivable of $2,838,249 owing to it by the parent entity Kuoni Australia Holding Pty Ltd (“Kuoni”). As stated in note 21, these events or conditions, along with other matters set forth in note 21, indicate that a material uncertainty exists that may cast significant doubt on the 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 Company’s annual report for the year ended 31 December 2020, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor’s report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Dated this 29th day of July, 2021

Kuoni Australia Holding Pty Ltd

ABN 78 133 084 714

Annual Report - 31 December 2020

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Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Eng Waa Teh
Laurent Kuenzle
Madhavan Karunakaran Menon
Marcel Grifoll

Principal activities
The principal activity of the company during the financial year was investment holding of Australian Tours Management Pty Ltd. The company did not generate revenue during the year.

There has been no significant change in the nature of the entity's principal activity during the year.

Review of operations
The loss for the company after providing for income tax amounted to $1,162,578 (31 December 2019: $206,646).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
The company expect to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental regulation
The company operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Shares under options
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Dividends
No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Indemnification and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2020

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

29 July 2021
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF KUONI AUSTRALIA HOLDING PTY LTD

I declare that, to the best of my knowledge and belief during the year ended 31 December 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J.C. Luckins
Director

Dated this 29th day of July, 2021

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Kuoni Australia Holding Pty Ltd
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31 December 2020

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General information

The financial statements cover Kuoni Australia Holding Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Kuoni Australia Holding Pty Ltd's functional and presentation currency.

Kuoni Australia Holding Pty Ltd is an unlisted public company limited by shares.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 July 2021. The directors have the power to amend and reissue the financial statements.

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Kuoni Australia Holding Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	2020 $	2019 $
Other Gains and Losses			
Net loss on financial assets at fair value through profit or loss		(1,009,584)	-
Expenses			
Administration		(51,825)	(57,377)
Finance costs		(101,169)	(149,269)
Loss before income tax expense		(1,162,578)	(206,646)
Income tax expense	3	-	-
Loss after income tax expense for the year attributable to the owners of Kuoni Australia Holding Pty Ltd	5	(1,162,578)	(206,646)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Kuoni Australia Holding Pty Ltd		(1,162,578)	(206,646)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Kuoni Australia Holding Pty Ltd
Statement of financial position
As at 31 December 2020

	Note	2020 $	2019 $
Assets			
Non-current assets			
Investment in Australian Tours Management	7	2,838,249	3,847,833
Total non-current assets		2,838,249	3,847,833
Total assets		2,838,249	3,847,833
Liabilities			
Current liabilities			
Trade and other payables		367,300	244,749
Advances from related parties – other entities ultimately controlled by Fairfax Financial Holdings Limited	9	7,693,245	7,693,245
Advances from related parties – Australian Tours Management Pty Ltd	9	2,838,249	2,807,806
Total current liabilities		10,898,794	10,745,800
Total liabilities		10,898,794	10,745,800
Net liabilities		(8,060,545)	(6,897,967)
Equity			
Contributed Equity	4	500,000	500,000
Accumulated losses	5	(8,560,545)	(7,397,967)
Total deficiency in equity		(8,060,545)	(6,897,967)

The above statement of financial position should be read in conjunction with the accompanying notes

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Kuoni Australia Holding Pty Ltd
Statement of changes in equity
For the year ended 31 December 2020

	Contributed Equity $	Accumulated losses $	Total deficiency in equity $
Balance at 1 January 2019	500,000	(7,191,321)	(6,691,321)
Loss after income tax expense for the year	-	(206,646)	(206,646)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(206,646)	(206,646)
Balance at 31 December 2019	500,000	(7,397,967)	(6,897,967)

	Contributed Equity $	Accumulated losses $	Total deficiency in equity $
Balance at 1 January 2020	500,000	(7,397,967)	(6,897,967)
Loss after income tax expense for the year	-	(1,162,578)	(1,162,578)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(1,162,578)	(1,162,578)
Balance at 31 December 2020	500,000	(8,560,545)	(8,060,545)

The above statement of changes in equity should be read in conjunction with the accompanying notes

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Kuoni Australia Holding Pty Ltd
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		70,727	(259,343)
Borrowing Costs		(101,169)	(149,269)
Net cash used in operating activities		(30,442)	(408,612)
Cash flows from investing activities			
Cash in advance from subsidiary		30,442	408,612
Net cash from investing activities		30,442	408,612
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year	6	(7,693,245)	(7,693,245)
Cash and cash equivalents at the end of the financial year		(7,693,245)	(7,693,245)

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Income tax liability owed by controlled entity is transferred via the intercompany accounts and treated as income in the statement of comprehensive income or a saving in tax liabilities.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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Note 1. Significant accounting policies (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entity where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Kuoni Australia Holding Pty Ltd and its controlled entities have formed an income tax consolidated group under Australian tax consolidation legislation. Kuoni Australia Holding Pty Ltd, the parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses to the extent that they are recoverable, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred

Note 1. Significant accounting policies (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Investment in Australian Tours Management Pty Ltd

As at 31 December 2020 the company held 100% (2019: 100%) of the ordinary paid up share capital of Australian Tours Management Pty Ltd.

The company does not consolidate its 100% owned subsidiary into these financial statements for the following reasons:

a) the company is a subsidiary of Fairfax Financial Holdings Ltd based in Canada;
b) the company has no debts or equity traded in a public market;
c) the company is not in the process of issuing any class of instruments in a public market; and
d) the ultimate parent entity, Fairfax Financial Holdings Ltd, produces financial statements available for public use

As such, this investment is accounted for at fair value through profit or loss in line with AASB 9.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The directors have determined that as there is no certainty that the tax losses will be available for offset against future taxable income. On this basis, deferred tax assets have not been recognised the financial statements.

Note 3. Income tax expense

	2020 $	2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,162,578)	(206,646)
Tax at the statutory tax rate of 26%	(302,270)	(53,728)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised	302,270	53,728
Income tax expense	-	-

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Note 4. Equity - Contributed Equity

	2020 $	2019 $
Contributed Equity	500,000	500,000

The company has 500,000 ordinary fully paid shares on issue (2019: 500,000). Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 5. Equity - accumulated losses

	2020 $	2019 $
Accumulated losses at the beginning of the financial year	(7,397,967)	(7,191,321)
Loss after income tax expense for the year	(1,162,578)	(206,646)
Accumulated losses at the end of the financial year	(8,560,545)	(7,397,967)

Note 6. Reconciliation of cash flow

	2020 $	2019 $
Borrowings from other entities ultimately controlled by Fairfax Financial Holdings Limited	(7,693,245)	(7,693,245)

Note 7. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in Australian Tours Management Pty Ltd	-	-	2,838,249	2,838,249
Total assets	-	-	2,838,249	2,838,249

2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in Australian Tours Management Pty Ltd	-	-	3,847,833	3,847,833
Total assets	-	-	3,847,833	3,847,833

There were no transfers between levels during the financial year.

Note 8. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel on behalf of the company is set out below:

	2020 $	2019 $
Aggregate compensation	320,327	560,125

Note 9. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 8.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	2020 $	2019 $
Current borrowings:		
Loan from other entities ultimately controlled by Fairfax Financial Holdings Limited	7,693,245	7,693,245
Loan from Australian Tours Management Pty Ltd	2,838,249	2,807,806

Terms and conditions
All loans are non interest bearing

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 11. Economic Dependency

As at 31 December 2020 the company had incurred a loss of $1,162,578 and has deficiency between current liabilities and total assets totalling $8,060,545, which included amounts payable, secured by or guaranteed by related entities ultimately controlled by Fairfax Financial Holdings Limited totalling $10,531,494. The continued economic support of the company from its ultimate parent entity is a fundamental element of the capacity of the company to meet its debts as and when they fall due and therefore a significant decision of the directors in preparing the financial report on a going concern basis.

The company has received a commitment of continuous financial support from the parent company, Travel Circle International (Mauritius) Limited. This commitment of financial support is given on the basis that Travel Circle International (Mauritius) Limited controls the ownership of the company and that the company will continue to be economically dependent upon of Travel Circle International (Mauritius) Limited for its financial and operational stability.

In the event that this support is withdrawn, this may necessitate a restatement of the valuation and classification of assets and liabilities in the statement of financial position

Kuoni Australia Holding Pty Ltd
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

29 July 2021
Melbourne

William Buck

Kuoni Australia Holding Pty Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kuoni Australia Holding Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2020, but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Regime and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J.C. Luckins
Director

Dated this 29th day of July, 2021

Gulf Dunes LLC

Financial statements

31 December 2020

Gulf Dunes LLC

Financial statements
31 December 2020

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Directors' Report

The Board of Directors has the pleasure in presenting the annual report and audited financial statements of **Gulf Dunes LLC** ("the Company") for the year ended 31st December 2020

Principal activities and business review

Gulf Dunes LLC is a limited liability company (the "Company") registered with the Department of Tourism and Commerce Marketing, Government of Dubai and Department of Economic Development.

The principal activity of the Company organizing and managing Meetings, Incentives, Conferences, and Events (MICE). The Company started its operations in May 1995.

Results for the ended 31st December 2020 and Future outlook

The results of the Company for the ended 31st December 2020 are set out on from page 6 of the financial statements.

Going concern basis

The Board of Directors has reasonable expectation that the Company has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements for the ended 31st December 2020.

Transactions with related Parties

The financial statements disclose related party transactions and balances in note12. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Auditors

KPMG were appointed as external auditors for the Company for the ended 31st December 2020. KPMG have expressed their willingness to continue in office. A shareholder resolution for the reappointment of KPMG is proposed and to absolve them of their responsibility for the ended 31st December 2021.

On behalf of the Board

Senthil Nandagopal
Chief Operating officer

Peter Payet
Chief executive officer

Date: 16 February 2021

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Independent Auditors' Report

To the Shareholders of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC ("the Company") and, which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report.

Other Information (continued)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015, we report that for the year ended 31 December 2020:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 31 December 2020;

vi) note 12 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2020 any of the applicable provisions of the UAE Federal Law No.(2) of 2015, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2020.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 16 February 2021

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2020**	2019
		AED	AED
Revenue	*6*	**6,634,770**	12,254,745
Direct costs	*7*	**(5,174,531)**	(9,866,658)
Gross profit		**1,460,239**	2,388,087
Administrative and general expenses	*8*	**(2,301,755)**	(3,905,099)
Finance income	*9*	**5,382**	33,748
Finance cost	*9*	**-**	(2,022)
Loss and total comprehensive income for the year		**(836,134)**	(1,485,286)

The notes on pages 10 to 31 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2-5.

Gulf Dunes LLC

Statement of financial position

As at 31 December

	Notes	**2020**	2019
		AED	AED
Assets			
Property and equipment	*10*	**19,482**	28,172
Right-of-use asset	*3*	**134,962**	202,438
Non-current assets		**154,444**	230,610
Trade and other receivables	*11*	**580,479**	1,903,380
Cash and cash equivalents	*17*	**465,351**	549,306
Current assets		**1,045,831**	2,452,686
Total assets		**1,200,274**	2,683,296
Equity and Liabilities			
Equity			
Share capital	*15*	**300,00**	300,000
Statutory reserve	*16*	**150,000**	150,000
Accumulated losses		**(5,242,622)**	(4,406,488)
Total equity		**(4,792,622)**	(3,956,488)
Liabilities			
Employees' end of service benefits	*14*	**312,879**	262,790
Lease liability – non-current		**38,816**	114,272
Non-current liabilities		**351,695**	377,062
Trade and other payables	*13*	**1,165,918**	3,519,268
Due to related parties	*12*	**4,399,518**	2,669,799
Lease liability – current		**75,765**	73,655
Current liabilities		**5,641,201**	6,262,722
Total liabilities		**5,992,896**	6,639,784
Total equity and liabilities		**1,200,274**	2,683,296

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2020.

The notes on pages 10 to 31 are an integral part of these financial statements.
These financial statements were authorised for issue on behalf of the Company's shareholders on16 Feb 21

COO

CEO

The independent auditors' report is set out on pages 2-5.

Gulf Dunes LLC

Statement of cash flows
For the year ended 31 December

	Notes	**2020**	2019
		AED	AED
Cash flows from operating activities			
(Loss) / profit for the year		**(836,134)**	(1,485,286)
Adjustments for:			
Depreciation and amortization	*10*	**15,069**	36,569
Depreciation on right-of-use assets	*8*	**67,476**	22,492
Allowance for expected credit loss	*8*	**5,602**	261
Provision for employees' end of service benefits	*14*	**60,757**	24,793
Interest expense on lease liability	*9*	**4,704**	2,022
		(682,526)	(1,399,149)
Changes in:			
- trade and other receivables		**1,317,298**	2,018,682
- due from a related party		**-**	-
- due to related parties		**1,729,719**	(680,185)
- trade and other payables		**(2,353,350)**	(1,021,445)
Payment of employees' end of service benefits	*14*	**(10,668)**	(213,950)
Net cash from / (used in) operating activities		**473**	(1,281,430)
Cash flows from investing activity			
Acquisition of property and equipment	*10*	**(6,379)**	(15,689)
Net cash used in investing activity		**(6,379)**	(15,689)
Cash flows from financing activity			
Interest paid during the year		**(4,704)**	(2,022)
Payment of lease liabilities		**(73,346)**	(37,003)
Net cash used in financing activity		**(78,050)**	(39,025)
Net (decrease) / increase in cash and cash equivalents		**(83,956)**	(1,336,144)
Cash and cash equivalents at the beginning of the year		**549,306**	1,885,450
Cash and cash equivalents at 31 December	*17*	**465,350**	549,306

The notes on pages 10 to 31 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2-5.

Gulf Dunes LLC

Statement of changes in equity

For the year ended 31 December

	Share capital AED	Statutory reserve AED	Accumulated losses AED	Total AED
At 1 January 2019	300,000	150,000	(2,921,202)	(2,471,202)
Total comprehensive income for the year				
Loss for the year	-	-	(1,485,286)	(1,485,286)
Balance at 31 December 2019	300,000	150,000	(4,406,488)	(3,956,488)
Balance at 1 January 2020	300,000	150,000	(4,406,488)	(3,956,488)
Total comprehensive loss for the year				
Loss for the year	-	-	(836,134)	(836,134)
Balance at 31 December 2020	**300,000**	**150,000**	**(5,242,622)**	**(4,792,622)**

The notes on pages 10 to 31 are an integral part of these financial statements.

1 Reporting entity

Gulf Dunes LLC, Dubai is a limited liability Company (‘‘the Company’’) registered with the Department of Economic Development, Government of Dubai. The principle business activity of the Company is organizing and managing incentive trips, conferences and meetings for groups.

The Company's shares are held by Travel Circle International (Mauritius) LTD (“the Shareholders”) 49% and by Ahmad Abdulaziz Abdulla Almannei 51%. The ultimate parent of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

Ahmad Abdulaziz Abdulla Almannei has agreed not to take part in the operational and financial management of the Company.

The registered office of the Gulf Dunes LLC, Dubai is P.O. Box no. 6655, Dubai, United Arab Emirates.

The Company did not purchase any shares during the year.

2 Basis of preparation

a) Going concern

During the year ended 31 December 2020, the Company incurred a loss of AED 836,134 (*2019: AED 1,485,286*) and as at 31 December 2020 its accumulated losses amounted to AED 5,242,622 *(2019: AED 4,406,488)*.

Due to the event of COVID 19 pandemic (Note 22), as the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown on both financial statements and operations. Management has projected future cash inflows which resulted in a slowdown in operations and taking necessary cost measures needed to sustain the Company ongoing operations. Management is of the view that the future net cash inflows from operations will be sufficient for the Company to enable it to meet both its liabilities as they fall due and to carry on its business without a significant curtailment of operations in the foreseeable future. Furthermore, the shareholders have confirmed their intention to provide financial support to the Company to enable it to continue in operations and to meet its obligations as and when they fall due, for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standard Board (IASB) and the requirements of UAE Federal Law No. 2 of 2015.

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect

c) Basis of measurement

These financial statements have been prepared under the historical cost basis.

d) Functional and presentation currency

These financial statements are presented in UAE Dirham (“AED”), which is the Company’s functional currency.

2 Basis of preparation (continued)

e) Use of estimates and judgments (continued)

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognised in these financial statements are described in note 21.

3 Significant accounting policies

The following accounting policies, which comply with IFRS, have been applied consistently to all periods presented in these financial statements, except to the adoption of new standards and amendments described above.

Revenue from contract with customers

The Company renders a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups. Revenue from rendering these services is recognised in the profit or loss when it transfers control over a service to a customer. This is generally the case on the date of arrival.

Any expected discounts to the customers are estimated and are netted off against transaction price as per the requirements of the accounting standard.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3 Significant accounting policies (continued)

Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency transactions

Transactions in foreign currencies are translated to AED and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to AED at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into AED using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any).
If significant part of an item of property and equipment have different useful lives, then they are accounted for as items (major components) of property and equipment.
Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.
Subsequent expenditure
Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value and is recognised in profit or loss. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives of property and equipment for current and comparative period are as follows:

	Years
Motor vehicles	4
Furniture, fixtures and office equipment	2 to 5
Leasehold improvements	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets

Intangible assets that are acquired by the Company have finite useful lives and are measured at cost less accumulated amortization and accumulated impairment losses, if any. Where the payment term is deferred, the cost of the intangible asset is the cash price equivalent, which is the discounted amount of cash over the payment term.

Company’s intangibles comprise of license of accounting software (SAGE) and license for contract management tool (Meeting box).

3 Significant accounting policies (continued)

Intangible assets (continued)

Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. The useful life for the intangible assets for the current and comparative period is estimated to be 3 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on trade receivables has increased significantly if it is more than 90 days past due i.e. 120 days from the invoice date.

The Company considers trade receivables to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

3 Significant accounting policies (continued)

Impairment (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:
- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

3 Significant accounting policies (continued)

Impairment (continued)

Financial assets measured at amortized cost (continued)

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognized in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, investment property and inventories to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss.

Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3 Significant accounting policies (continued)

Impairment (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Share capital

Ordinary shares are classified as equity. Balances which represent a residual interest in the net assets of the Company are presented within equity.

4 Standards issued but not yet adopted

A number of new standards are effective of annual periods beginning from 1 January 2020 and earlier adoption is permitted, however, the Company has not early adopted the new standard or amended standards in preparing these financial statements.

- *Onerous contracts – Cost of fulfilling a contract (Amended to IAS 37*)

The amendments specify which cost a Company includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous .The amendments apply for annual reporting periods beginning on or 1 January 2022 to contracts existing a the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings. The Company has determined that all the contracts existing at 31 December 2020 will be completed before the amendments becomes effective.

4 Standards issued but not yet adopted (continued)

- *Interest rate benchmark reform- phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16)*

The amendments address issues that might affect the financial statements reporting as result of the reform of interest rate benchmark, including the effect of changes in contractual cash flow or hedging relationship arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide relief from certain requirements in IFRS 9, IAS 39, IFRS 4 and IFRS 16 relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and;
- hedging accounting.

Changes in basis of determining cash flows

The amendments will require the Company account to account for a change in the basis for determining the contractual cash flows of financial assets or financial liabilities that is required by interest rate benchmark reform by updating the effective interest rate of the financial assets or financial liability.

Hedge accounting

The amendments provide exceptions to the hedge accounting requirements in the following areas:

- Allow amendment of the designation of the hedging relationship to reflect changes that are required by the reform.
- When a hedged item in cash flow hedge is amended to reflect the changes that are required by the reform , the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
- When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to sub-group based on the benchmark rates being hedged.
- If the Company reasonably expects that an alternative benchmark rate will be separately identifiable within period of 24 months, its not prohibited from designating the rates as a non-contractually specified risk component if is not separately identifiable at the designation date.

Disclosures

The amended will require the Company to disclosure additional information about the Company's exposure to risk arising from interest rate on benchmark reform and related risk management activities.

- *Other standards*

The following new and amended standards are not expected to have a significant impact on the Company financial statement.

- COVID-19 Related Rent Concession (*Amendment to IFRS 16*)
- Property, Plant and Equipment: Proceeds before Intended Use (*Amendment to IAS 16)*
- Reference to Conceptual Framework (*Amendment to IFRS 3*)
- Classification of liabilities as Current or Non-current (*Amendment to IAS 1*)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

5 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in note 19 of these financial statements.

Risk management framework

Management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank and trade and other receivables (excluding prepayments and advances to suppliers).

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures in respect of losses that have been incurred but not yet identified. The Company's cash is placed with bank of good repute.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to trade and other payables (excluding advances from customers), and due to related parties. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company maintains adequate reserves, by continuous monitoring, forecast and actual cash flows.

5 Financial risk management *(Continued)*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and fluctuations in fair value will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on purchases that are denominated in a currency other than its functional currency, primarily the US Dollar (USD). Since USD is currently pegged to AED, the Company does not hedge the currency risk in respect of its foreign currency exposure.

Interest rate risk

Interest rate risk is the risk of loss from fluctuations of future cash flows because of a change in market interest rates.

Other market price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements.

6 Revenue

The Company's revenue is generated by providing a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups.

7 Direct Costs

Direct costs comprise hotel bookings, transport and visa services, excursion and travel related services.

8 Administrative and general expenses

	2020 AED	2019 AED
Staff salaries and benefits	**1,573,946**	2,443,634
Overseas representative office charges	**288,932**	471,649
Legal and professional charges	**95,883**	83,516
Business promotion expenses	**72,615**	477,920
Sponsorship fees	**72,000**	72,000
Depreciation on right-of-use assets	**67,476**	22,492
Bank charges	**20,419**	19,728
Depreciation	**15,069**	36,569
Rent expense	**10,848**	95,170
Communication expense	**4,326**	26,118
Allowance for expected credit loss	**5,602**	261
Other expenses	**74,639**	156,042
	2,301,755	3,905,099

9 Finance income

	2020 AED	2019 AED
Foreign exchange gain	**10,086**	33,748
Interest expense on lease liability	**(4,704)**	(2,022)
	5,382	31,726

10 Property and equipment

	Motor vehicles AED	Furniture, fixtures and office equipment AED	Leasehold improvements AED	Total AED
Cost				
Balance at 1 January 2019	47,250	228,671	25,000	300,921
Additions	-	15,689	-	15,689
Balance as at 31 December 2019	47,250	244,360	25,000	316,610
Balance as at 1 January 2020	47,250	244,360	25,000	316,610
Additions	-	6,379	-	6,379
Balance as at 31 December 2020	47,250	250,739	25,000	322,989
Depreciation				
Balance at 1 January 2019	47,250	198,993	5,626	251,869
Charge for the year	-	17,195	19,374	36,569
Balance as at 31 December 2019	47,250	216,188	25,000	288,438
Balance as at 1 January 2020	47,250	216,188	25,000	288,438
Charge for the year	-	15,069	-	15,069
Balance as at 31 December 2020	47,250	231,257	25,000	303,507
Net book value				
At 31 December 2020	**-**	**19,482**	**-**	**19,482**
At 31 December 2019	-	19,482	-	19,482

10.1 Fully depreciated assets amounting to AED 145,502 are still in use of the Company.

11 Trade and other receivables

	2020	2019
	AED	AED
Trade receivables	**130,020**	285,257
Provision for impairment loss on trade receivables	**(12,192)**	(6,590)
	117,828	278,667
Prepayments	**29,356**	69,452
Other receivables	**293,717**	273,986
Advances to suppliers & others	**139,578**	1,281,275
	580,479	1,903,380

12 Related parties

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. Significant related party transactions during the year ended 31 December 2020 were as follows:

	2020	2019
	AED	AED
Key management personnel compensation		
Short term employee benefits	**396,188**	341,956
Post-employment benefits	**19,485**	15,631

Due to related parties

	2020	2019
	AED	AED
Gulf Dunes Tourism LLC – Oman	**1,163,950**	1,030,918
Desert Adventures Tourism LLC	**3,235,568**	1,638,881
	4,399,518	2,669,799

13 Trade and other payables

	2020	2019
	AED	AED
Trade payables	**114,270**	509,781
Accruals and other payables	**631,009**	687,705
Advances from customers	**420,639**	2,321,782
	1,165,918	3,519,268

14 Employees' end of service benefits

	2020 AED	2019 AED
Balance at 01 January	**262,790**	451,947
Provision during the year	**60,757**	24,793
Payments made during the year	**(10,668)**	(213,950)
Balance at 31 December	**312,879**	262,790

15 Share capital

	2020 AED	2019 AED
Authorised, issued and fully paid up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Statutory reserve

In accordance with article 103 of the U.A.E Federal Commercial Companies' law (2 of 2015), a minimum of 10% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. Since the statutory reserve of the Company has already reached the limit, therefore the Board of Directors have decided to cease such allocations *(2019: Nil).*

17 Cash and cash equivalents

	2020 AED	2019 AED
Cash in hand	**14,590**	23,117
Cash at bank	**450,761**	526,189
	465,351	549,306

18 Contingent liabilities

There are no contingent liabilities at the reporting date.

19 Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade and other receivables and amounts due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020 AED	2019 AED
Trade and other receivables (excluding prepayments and advances to suppliers)	**130,020**	285,257
Cash at bank	**450,761**	526,189
	580,781	811,446

The aging of trade receivables at the reporting date was:

	31 December 2020		31 December 2019	
	Gross AED	**Provision AED**	Gross AED	Provision AED
Not due	**117,827**	**-**	157,726	-
0-30 days past due	**-**	**-**	105,506	-
31-90 days past due	**-**	**-**	15,435	-
Over 90 days past due	**12,192**	**(12,192)**	6,590	(6,590)
	130,019	**(12,192)**	285,257	(6,590)

The movement in the impairment loss for trade receivables is as follows:

	2020 AED	2019 AED
At 1 January	**6,590**	6,329
Impairment loss recognized during the year	**5,602**	261
Write offs during the year	**-**	-
At 31 December	**12,192**	6,590

19 Financial instruments *(continued)*

Credit risk *(continued)*

At 31 December 2020, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Carrying amount 2020 AED	Carrying amount 2019 AED
Geographical regions		
Europe	**130,019**	-
Malaysia	**-**	128,218
France	**-**	45,210
Middle East	**-**	98,962
Others	**-**	12,867
Grand total	**130,019**	285,257

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows.

The following are the contractual maturities of financial liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

31 December 2020

	Carrying Amount AED	**Contractual cash outflows AED**	**1 year or less AED**	**More than 1 year AED**
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	**745,279**	**(745,279)**	**(745,279)**	**-**
Due to related parties	**4,399,518**	**(4,399,518)**	**(4,399,518)**	**-**
Lease liability	**114,581**	**(117,076)**	**(78,051)**	**(39,025)**
	5,259,378	**(5,261,873)**	**(5,222,848)**	**(39,025)**

19 Financial instruments *(continued)*

Liquidity risk (continued)

31 December 2019

	Carrying Amount AED	Contractual cash outflows AED	1 year or less AED
Non derivative financial liabilities			
Trade and other payables (excluding advances from customers)	691,610	(691,610	(691,610)
Due to related parties	5,031,775	(5,031,775)	(5,031,775)
Lease liability	187,927	(156,103)	(39,026)
	5,911,312	(5,879,488)	(5,762,411)

Market risk

Foreign exchange risk

The Company has no significant exposure to foreign currency risk as the transactions in foreign currencies (if any) are mainly made in USD which is informally pegged to AED.

Interest rate risk

The Company has no borrowings and is not exposed to interest rate risk.

Fair values

The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to the short term nature of these instruments.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to shareholders. The Company is not subject to externally imposed capital requirements.

20 Fair value hierarchy

The Company does not have financial instruments which are measured at fair value as at the reporting date. Accordingly, the fair value hierarchy disclosures are not applicable to the Company.

21 Significant accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the critical accounting estimates and judgments used by management in the preparation of these financial statements:

21 Significant accounting estimates and judgments *(continued)*

Impairment losses on trade receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 19.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Development of ECL models, including various formulas and choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGDs).

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

22 COVID-19 coronavirus pandemic

During the current year, the global outbreak of the Covid-19 coronavirus has severely impacted businesses and economies worldwide. The Covid-19 outbreak has been considered a Pandemic and may impact the business operations of the customers, which in turn impacts our business. As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full duration and the extent of the full economic impact as of now. Management is actively monitoring the impact of the pandemic on its financial condition, liquidity, operations, supply chain, and workforce, which at this point is not considered to be significant. Management believes that the Company has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future when they become due. Financial impacts of the COVID-19 pandemic identified and recognised during the financial year 2020 have been reflected in the financial performance for the year and considered in the financial position as at 31 December 2020.