

**ZARA
INTERNATIONAL
TRAVEL AGENCY
LIMITED**

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST DECEMBER 2022**

**TPA AUDITORS
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC
PRACTICE
P. O. BOX 10488
ARUSHA**

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

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ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

COMPANY INFORMATION

The Company is incorporated in Tanzania under the Companies Ordinance, CAP 212 and domiciled in Tanzania.

REGISTERED AND PRINCIPAL PLACE OF BUSINESS

Pasua Area
P. O. Box 1990
Moshi
Tanzania.

BANKERS

CRDB Bank Plc
Moshi Branch
P. O. Box 1302
Moshi.

Diamond Trust Bank (T) Limited
Moshi Branch
P. O. Box 8395
Moshi.

NMB Bank Plc
Nelson Mandela Branch
P. O. Box 3391
Moshi.

COMPANY SECRETARY

Mrs. Zainab Addan Ansell
P. O. Box 1990
Moshi.

COMPANY AUDITORS

TPA Auditors
P. O. Box 10488
Arusha.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

INTRODUCTION

The directors submit their report together with the audited financial statements for the year ended 31st December 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted accounting practice and in the manner required by the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

PRINCIPAL ACTIVITIES

The company's principal activity is to carry on the business of tourism through running safari hotels, camps, camping sights, hunting grounds, tour operators, sightseeing trips, motor vehicles, to facilitate tourism, air balloons.

During the year under review there were no significant changes in the company's activities.

RESULTS

The results for the year are set out on page 9.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

EMPLOYEE WELFARE

Management/ employees' relationship

The relationship between management and employees continued to be cordial throughout the year.

Training

The company strives to provide training to all its employees as and when it identifies a necessity.

Medical facilities

Medical care in respect of serious illnesses continued to be provided to all members of the company staff.

Financial Support

Salary advances and other financial assistance are available to all confirmed employees depending on the assessment of the management as to the need and circumstances and ability to make repayments.

SOLVENCY

The company served all its short and long term commitments satisfactorily and its state of affairs as at 31st December 2022 is set out on page 10 of these financial statements. The board considers the company to be solvent.

DIRECTORS

The directors who served during the year and to the date of this report were:

Mrs. Zainab Addan Ansell	-	Tanzanian
Mr. Roger Keith Ansell	-	Swedish

DIRECTORS' INTEREST

The directors' interest in the shares of the company is as follows:

Mrs. Zainab Addan Ansell	-	60	Shares
Mr. Roger Keith Ansell	-	40	Shares

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

AUDITORS

The auditors, TPA Auditors have expressed their willingness to continue in office and do so under the Companies Act, 2002.

By Order of the Board



CHAIRMAN

29-07-2023

Date

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

DECLARATION OF THE HEAD OF ACCOUNTING ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance /Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements rests with the board of Directors/Governing board as under the Directors Responsibility statement on an earlier page.

I, CPAFRANCIS JOHN....., being Certified Public Accountant in Public Practice engaged by Zara International Travel Agency Limited hereby acknowledge the responsibility of ensuring that financial statements for the year ended 31st December 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that financial statements give a true and fair view position of Zara International Travel Agency Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by..........

Position: Certified Public Accountant.

NBAA Membership No.: ACPA 2797

Date: 27-07-2023

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders of **ZARA INTERNATIONAL TRAVEL AGENCY LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **ZARA INTERNATIONAL TRAVEL AGENCY LIMITED**, which comprise the statement of financial position as at 31st December 2022, 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 financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2022 and of the results and cash flows for the year then ended in accordance with the International Financial Reporting Standards and comply with the Company's' Act, CAP 212.

Basis for Opinion

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

Responsibilities of the Directors and those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

REPORT OF THE INDEPENDENT AUDITORS

to the Shareholders of ZARA INTERNATIONAL TRAVEL AGENCY LIMITED
(CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body corporate in accordance with the Tanzanian Companies Act, 2002 and for no other purposes. As required by the Tanzanian Companies Act, 2002, we report to you, based on our audit, that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- (iii) The Directors' Report is consistent with the financial statements;
- (iv) Information specified by law regarding directors' remuneration and transactions with the Company is disclosed; and
- (v) The Company's Financial Position and income statement are in agreement with the books of account.


N. M. F. DUHIA (FCPA 550)
TPA AUDITORS (PF 117)
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE
P. O. BOX 10488
ARUSHA.

31/7/ 2023



ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2022

	<u>Notes</u>	2022 Tsh '000	2021 Tsh '000
Turnover	4	3,398,714	1,510,299
Direct expenses	5	<u>(2,090,145)</u>	<u>(621,858)</u>
Gross profit		1,308,569	888,441
Administrative expenses	7	(499,662)	(247,150)
Other operating expenses	8	<u>(158,355)</u>	<u>(184,106)</u>
		<u>(658,017)</u>	<u>(431,256)</u>
Operating profit		650,552	457,185
Finance costs	9	<u>(683,964)</u>	<u>(433,228)</u>
Profit /(loss) before income tax		<u>(33,412)</u>	<u>23,957</u>
Income tax credit /(expense)	10	<u>(457,305)</u>	<u>214,711</u>
Profit /(loss) for the year		<u>(490,717)</u>	<u>238,668</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income /(loss) for the year		<u>(490,717)</u>	<u>238,668</u>

Auditors' report page 7 and 8.


The notes on pages 13 to 22 form part of these financial statement


ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

STATEMENT OF FINANCIAL AS AT 31ST DECEMBER 2022

	Notes	2022 Tsh '000	2021 Tsh '000
ASSETS			
Non-current assets			
Property, plant and equipment	18	<u>15,885,330</u>	<u>15,771,266</u>
Current assets			
Current income tax		21,000	15,000
Receivables and prepayments	11	5,891,540	5,433,960
Cash and cash equivalents	12	<u>1,195,041</u>	<u>115,634</u>
Total current assets		<u>7,107,581</u>	<u>5,564,594</u>
Total assets		<u>22,992,911</u>	<u>21,335,860</u>
EQUITY			
Share capital	13	100,000	100,000
Revaluation reserves		13,204,990	13,204,990
Accumulated losses		<u>(2,367,004)</u>	<u>(1,876,287)</u>
Total equity		<u>10,937,986</u>	<u>11,213,992</u>
LIABILITIES			
Non-current liabilities			
Borrowings	15	8,763,440	8,315,659
Deferred income tax		<u>682,009</u>	<u>224,704</u>
Total non-current liabilities		<u>9,445,449</u>	<u>8,684,074</u>
Current liabilities			
Bank overdraft	16	691,548	670,972
Trade and other payables	14	<u>1,917,928</u>	<u>695,822</u>
Total current liabilities		<u>2,609,476</u>	<u>1,366,794</u>
Total liabilities		<u>12,054,925</u>	<u>9,907,157</u>
Total equity and liabilities		<u>22,992,911</u>	<u>21,335,860</u>

The financial statements on pages 9 to 22 were approved by the Board of Directors on 29-07-2023 and signed on its behalf by:


Mrs. Zainab Addan Ansell
Director


Mr. Roger Keith Ansell
Director

Auditors' report page 7 and 8.

The notes on pages 13 to 22 form part of these financial statements.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

	<u>Share Capital</u> Tsh '000	<u>Revaluation Reserves</u> Tsh '000	<u>Retained earnings</u> Tsh '000	<u>Total</u> Tsh '000
Balance at 1 st January 2021	100,000	13,204,990	(2,114,955)	11,190,035
Profit for the year	-	-	238,668	238,668
Balance at 31st December 2021	<u>100,000</u>	<u>13,204,990</u>	<u>(1,876,287)</u>	<u>11,428,703</u>
Balance at 1 st January 2022	100,000	13,204,990	(1,876,287)	11,428,703
Loss for the year	-	-	(490,155)	(490,155)
Balance at 31st December 2022	<u>100,000</u>	<u>13,204,990</u>	<u>(2,366,442)</u>	<u>10,938,548</u>

Auditors' report page 7 and 8.

The notes on pages 13 to 22 form part of these financial statements.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	2021
	Tsh '000	Tsh '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	2,941,134	7,874,339
Cash paid to suppliers and employees	(2,117,654)	(7,807,751)
Cash generated from operating activities	<u>823,480</u>	<u>66,588</u>
Tax paid	(6,000)	-
Net cash generated from operating activities	<u>817,480</u>	<u>66,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(225,004)	-
Proceed from disposal of assets	18,575	-
Net cash used in investing activities	<u>(206,429)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Term loan	447,781	(53,193)
Bank overdraft	20,576	(31,731)
Net cash generated from /(used in) financing activities	<u>468,357</u>	<u>(84,924)</u>
Increase /(decrease) in cash and cash equivalents	1,079,408	(18,336)
Cash and cash equivalents at the beginning of year	<u>115,634</u>	<u>133,970</u>
Cash and cash equivalents at the end of the year	<u>1,195,042</u>	<u>115,634</u>

Auditors' report page 7 and 8.

The notes on pages 13 to 23 form an integral part of these financial statements.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

1. Company Information

Detailed information about the company is set out on page 1.

2. Principal Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (Shs), rounded to the nearest thousand.

(b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.

(c) Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for services rendered in the ordinary course of the company's activities. Revenue is shown net of value-added tax (VAT), rebates and discounts.

Sales of services are recognized in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

As a tour operator, the company invoices for and collects fees and charges on behalf of government agencies and other third parties. These payments include national park fees, concession fees, bed night levy and hotel charges.

The company's revenue comprises of transport income and the amount of any fee or commission and handling fees to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services. The fee or commission is the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

(d) Functional currency and translation of foreign currencies

Transactions are recorded on initial recognition in Tanzania Shillings, being the currency of the primary economic environment in which the company operates (the functional currency). Transactions in foreign currencies are converted into Tanzania Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

(e) Property, Plant and Equipment

Depreciation is calculated using the straight line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Computer and peripherals	30
Office equipment	12.5
Furniture, fittings and equipment	12.5
Motor vehicles	20
Camping Equipment	4

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Accounting for leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(g) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated cost of realization. Provision is made where necessary for obsolescent, slow moving and defective stocks.

(h) Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit and loss account.

(i) Payables

Payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(j) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(k) Share capital

Ordinary shares are classified as equity.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in 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 are shown within borrowings in current liabilities on the balance sheet.

(m) Provisions

Provisions are made when the company has a present obligation (legal or constructive), as a result of past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(n) Employee benefits

(i) Retirement benefit obligations

The company's contributions in respect of retirement benefit costs are charged to the income statement in the year to which they relate. The company contributes to the National Social Security Fund, which is a defined contribution pension scheme. The company's obligations under the scheme are limited to specific contributions legislated from time to time.

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual.

(o) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzanian Income Tax Act.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

(p) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared or paid.

3. Financial risk management objectives and policies

The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

(a) Price fluctuation risk

The company does not anticipate that prices of its services will decline in the foreseeable future. Therefore, it has not entered into derivative contracts to manage risk of a decline in prices. The company reviews its outlook for prices regularly in considering the need for active financial risk management.

(b) Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the Euro and US Dollar. Exposure to foreign currency risk is not hedged.

(c) Credit risk

The company has no significant credit risk.

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

	2022	2021
4. SAFARI INCOME	Tsh '000	Tsh '000
Third party sales (Note 4.1)	22,344,822	6,447,318
Transport income and handling charges	3,398,714	1,510,299
	<u>25,743,536</u>	<u>7,957,617</u>
Third party payments (Note 4.2)	(22,344,822)	(6,447,318)
Safari Income	<u>3,398,714</u>	<u>1,510,299</u>
4.1 THIRD PARTY SALES		
Mountain climbing	7,545,723	2,439,214
Park fees, guide and vehicle fees - TANAPA	6,080,791	1,618,556
Park fees, guide and vehicle fees - NCAA	4,378,195	1,380,634
Meals and accommodation	2,984,531	846,603
Car hire, air charters and balloon hire	1,355,582	162,311
	<u>22,344,822</u>	<u>6,447,318</u>
4.2 THIRD PAYMENTS		
Mountain climbing	7,545,723	2,439,214
Park fees, guide and vehicle fees - TANAPA	6,080,791	1,618,556
Park fees, guide and vehicle fees - NCAA	4,378,195	1,380,634
Meals and accommodation	2,984,531	846,603
Car hire, air charters and balloon hire	1,355,582	162,311
	<u>22,344,822</u>	<u>6,447,318</u>
5. Direct Expenses		
Motor vehicle fuel	1,049,207	265,694
Driver guides per diem	434,648	122,875
Tyres and tubes	44,161	83,000
Motor vehicle repairs and spares	562,129	150,289
	<u>2,090,145</u>	<u>621,858</u>
6. EMPLOYEE COSTS		
Salaries and wages	296,763	89,174
National Social Security Fund	49,992	8,917
Skills and Development Levy	30,691	8,606
Workers Compensation Fund	1,602	899
	<u>379,048</u>	<u>107,596</u>

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

7. Administrative Expenses	2022	2021
	Tsh '000	Tsh '000
Employee costs (Note 6)	379,048	107,596
Marketing and advertisement	-	750
Telephone charges	6,236	3,450
Email and internet	-	11,000
Postages and faxes	-	1,038
Printing and stationery	19,990	19,101
Audit and accountancy fees	18,400	18,400
Staff uniforms	-	11,000
Staff work permits	9,315	10,695
Bank charges	26,673	9,120
Directors management fees (Note 17)	40,000	55,000
	<u>499,662</u>	<u>247,150</u>
8. Other Operating Expenses		
Depreciation	92,366	122,536
Motor vehicle licenses	15,706	8,324
Motor vehicle safety stickers	588	650
Radio communication charges	1,300	1,300
Insurance	16,195	9,750
Legal fees	5,000	3,500
Office repairs and machinery maintenance	-	14,846
Rents payable	18,000	14,000
TALA license	6,900	6,900
TATO subscription	2,300	2,300
	<u>158,355</u>	<u>184,106</u>
9. Finance Cost		
Interest on term loan	<u>683,964</u>	<u>433,228</u>
10. INCOME TAX EXPENSE		
Current income tax expense	-	-
Deferred income tax expense/(Credit)	457,305	(214,711)
	<u>457,305</u>	<u>(214,711)</u>
11. RECEIVABLES AND PREPAYMENTS		
Trade receivables	671,370	213,790
Amount due from related parties (Note 17)	5,220,170	5,220,170
	<u>5,891,540</u>	<u>5,433,960</u>

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

	2022	2021
	Tsh '000	Tsh '000
12. CASH AND CASH EQUIVALENTS		
Cash in hand	1,500	17,000
Bank balance	1,193,541	98,634
	<u>1,195,041</u>	<u>115,634</u>
13. SHARE CAPITAL		
Authorized:		
1,000 ordinary shares of TShs. 100,000/= each	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
1,000 ordinary shares of TShs. 100,000/= each	<u>100,000</u>	<u>100,000</u>
14. PAYABLES AND ACCRUED EXPENSES		
Trade payables	204,731	152,778
Audit fees payable	18,400	18,400
Customers deposits	1,092,500	454,956
Tax-assessment 2019-2020	558,408	-
VAT payable	35,400	31,916
Accrued payables	8,489	37,772
	<u>1,917,928</u>	<u>695,822</u>
15. LONG TERM LOAN		
Term loan - CRDB Bank Plc	4,626,923	4,511,611
Term loan - DTB Bank Tanzania Limited	3,593,313	3,804,048
Term loan - Nmb Bank	543,204	-
	<u>8,763,440</u>	<u>8,315,659</u>
16. SHORT TERM LOAN		
Bank overdraft	<u>691,548</u>	<u>670,973</u>
17. RELATED PARTY TRANSACTIONS AND BALANCES		
Amount due from related parties:		
Highview Hotel and Tours Limited	2,992,473	2,992,473
Springlands Hotel Limited	1,353,140	1,353,140
ZITA Camps	874,557	874,557
	<u>5,220,170</u>	<u>5,220,170</u>
Directors fees	<u>40,000</u>	<u>55,000</u>

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

18. PROPERTY, PLANT AND EQUIPMENT

	Camping Equipment	Computers and Peripherals	Motor Vehicles	Office Equipment	Furniture and Fittings	Total
COST:	4% Tsh '000	30% Tsh '000	25.0% Tsh '000	12.5% Tsh '000	12.5% Tsh '000	Tsh '000
At 01.01.2022	15,388,000	5,161	954,689	18,530	32,503	16,398,883
Additions		-	225,004	-	-	225,004
Disposal/adjustments	(18,575)					(18,575)
At 31.12.2022	15,369,425	5,161	1,179,693	18,530	32,503	16,605,312
DEPRECIATION						
At 01.01.2022	-	3,098	601,911	6,016	16,591	627,616
Charge for the year	-	619	88,195	1,564	1,989	92,366
At 31.12.2022	-	3,717	690,106	7,580	18,580	719,982
CARRYING AMOUNT						
At 31.12.2022	15,369,425	1,444	489,588	10,950	13,923	15,885,330
At 31.12.2021	15,388,000	2,062	352,778	12,513	15,912	15,771,266

ZARA INTERNATIONAL TRAVEL AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (CONTINUED)

19. CONTINGENT LIABILITIES

In the opinion of the directors, there were no contingent liabilities at the balance sheet date (2021: nil).

20. CAPITAL COMMITMENTS

There were no capital commitments contracted for or approved at the balance sheet date (2021: nil).

21. COMPARATIVE FIGURES

Previous year's figures have been regrouped wherever considered necessary to make them comparable with current year's figures.