

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**  
**ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### TABLE OF CONTENTS

	<u>Page</u>
Report by those charged with Governance	1 – 6
Statement of directors' responsibilities	7
Declaration of the Head of Finance	8
Independent auditor's report	9– 12
Financial statements:	
- Consolidated Statement of profit or loss and other comprehensive income	13
- Consolidated Statement of financial position	14
- Consolidated Statement of changes in equity	15 - 16
- Consolidated Statement of cash flows	17
- Notes	18 – 44

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024

The Members charged with governance of Consolidated Tourist & Hotels Investment Limited (“the Company”) and its subsidiary Sopa Management Limited (together “the Group”) present their report together with the audited financial statements for the year ended 31 December 2024 which disclose the state of affairs of the Group and the Company.

### 1 INCORPORATION

The Company is incorporated in the United Republic of Tanzania as a limited liability company with Certificate of Incorporation number 14992 and is domiciled in Tanzania. The address of the registered office is set out on page 18.

### 2 PRINCIPAL ACTIVITY

The Company owns and operates three upscale lodges in northern Tanzania, providing exclusive accommodation facilities to tourists. These properties are:

- i. Ngorongoro Sopa Lodge located in Ngorongoro Conservation Area
- ii. Serengeti Sopa Lodge located in Serengeti National Park
- iii. Tarangire Sopa Lodge located in Tarangire National Park

### 3 RESULTS AND DIVIDEND

During the year, the Group recorded a net loss after tax of TShs 2,315 million (2023: TShs 18,200 million) a decrease of net loss by 87% as compared to the previous year. The performance of the Group continued to be impacted by the ongoing major renovations at Ngorongoro Sopa Lodge and Serengeti Sopa Lodge. As a result of the ongoing renovations, the above mentioned lodges did not operate during the year.

Revenue has increased by 45% from the prior year following recovery of tourist arrivals after the COVID-19 pandemic. Further, the increase in other income by 6% is attributed to the increase in the supply of lodge consumed stock by the Company to its related entities. In line with increase in revenue, cost of sales increased by 44% in comparison to the prior year. Administrative expenses have decreased by 58% from prior year.

Finance costs continue to form a significant proportion of costs that the Company incurs, due to borrowing facilities in place with I&M Bank Tanzania Limited.

Cash generated from operations amounted to TShs 24,233 million (2023: TShs 10,065 million). Of this, TShs 186 million (2023: TShs 189million) was used to pay tax and TShs 2,794 million (2023: TShs 2,505 million) was used to pay interest.

No dividend was proposed or paid during the year. The directors do not propose a dividend for the year ended 31 December 2024 (2023: TShs Nil).

The directors continue to be optimistic with the Group’s future given the outlook for the Tourism Sector in Tanzania that remains highly positive, with the expectation of achieving increasing volumes in forthcoming years. Top line revenues projected after the refurbishment of Serengeti & Ngorongoro Lodges will play a key role towards improving financial performance, net assets & the resultant liquidity position.

## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 4 PERFORMANCE FOR THE YEAR

A summary of key ratios shown as below

Performance Indicator	Definition and calculation method	2024	2023
<b>Income growth</b>	Measures a percentage movement of revenue from contracts with tour operators and guests year on year ( <b>Calculation:</b> Current year revenue less prior year divided by prior year).	<b>45%</b>	156%
<b>Gross loss margin</b>	Measures excess margin from sales after deducting cost of goods sold ( <b>Calculation:</b> Gross profit /Total revenue).	<b>(29%)</b>	(28%)
<b>Net loss margin</b>	Measures the percentage of net loss a Company produces from its operations ( <b>Calculation:</b> Net loss/ Total revenue).	<b>(43%)</b>	(488%)
<b>Current ratio</b>	A liquidity ratio, which measures whether a Company has enough resources to meet its short-term obligations (current liabilities) ( <b>Calculation:</b> Current assets / current liabilities excl. related party balances).	<b>0.43</b>	0.37

#### 5 BUSINESS OBJECTIVES AND STRATEGIES

The Group's mission is to increase awareness of the direct benefits generated by wildlife and ecology conservation that will contribute towards long term sustainability and local prosperity.

Further, it is the Group's mission to enhance and improve international understanding of Africa and her people and to create and support sustainable living in harmony with the environment and wildlife amongst communities.

The primary objective of the Group is guest satisfaction in providing superior accommodation facilities, whilst maintaining strategic relationships with tour agents as most preferred partners. Additional objectives include:

- To craft authentic and memorable safari experiences, providing the highest quality of luxury and comfort.
- To attract diverse guest profiles with a view to increase loyalty to the Company's brand.
- To maximize shareholders' value through profit maximization.
- To strive to leave as little impact as possible on the surrounding environment.
- To be a sustainability leader in achieving a net positive impact.
- To deliver reliably hassle-free services with maximum efficiency fostering.

## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 6 FUTURE PROSPECTS AND DEVELOPMENT

Management will continue to be cautious in its development plans, by reference to tourist arrivals expected for forthcoming years and formulate development plans accordingly. Among the short-term plans, completion of the refurbishment of its lodges in Serengeti and Ngorongoro are key priorities.

#### 7 CAPITAL STRUCTURE AND SHAREHOLDERS

The Company has 375,000 authorised shares of TShs 1,000 each. As at the date of this report, all authorised shares were issued and fully paid. The Company had only ordinary share capital at the date of this report.

Shareholders of the Company at the date of this report are as follows:

<b>Name</b>	<b>Number of shares</b>
Consolidated Tourist And Hotels Investments Limited (Jersey)	374,998
Mr S M W Murji's estate	1
Mrs G S Wissanji	1
	<hr/>
	<b>375,000</b>

#### 8 COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Company at the date of this report, all of whom have served since 1 January 2024 are:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Nationality</u></b>	<b><u>Date of resignation</u></b>
Mr Karim S. Wissanji	Chairman and Managing Director	Canadian	
Mrs G S Wissanji	Member	Canadian	
Mr Mehdi Janmohamed	Finance Director	Canadian	
Mr Shahnawaz Mohamedali	Director	Canadian	9 June 2022

In accordance with the Company's Articles of Association, the directors are not required to retire by rotation.

Mrs G S Wissanji owns one ordinary share in the Company. The deceased Mr. Shahnawaz Mohamedali was removed as the member of the board on 9 June 2022.

The company secretary at the date of this report, who also served the position throughout the year, was Mr. Elvaison Erasmo Maro.

## **CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **9 CORPORATE GOVERNANCE**

The Board of directors consists of three directors, two of whom hold executive positions in the Company being Managing Director and Finance Director. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters, and reviewing the performance of management, business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least once a year. The Board delegates the day to day management of the business to the Managing Director assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. Due to the Company's operations not being complex, the Board of directors does not have any sub-committees.

#### **Remuneration**

Directors' remuneration (i.e. fees and sitting allowance) is ordinarily approved by shareholders at the Annual General Meeting. No fee was paid to directors during the year under review.

#### **Risk management and internal control**

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding;

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The efficiency of any internal control system is dependent upon the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The internal control systems have been designed to manage, rather than eliminate, the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

## **CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

### **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **10 SOLVENCY AND GOING CONCERN**

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors confirms that the Company has adequate resources to continue in operational existence for the foreseeable future.

#### **11 STAKEHOLDERS RELATIONSHIP**

During the year, the Company continued to maintain cordial relationships with its key stakeholders.

#### **12 COMMERCIAL AND OPERATIONAL RISK**

Financial risk and its management are disclosed under Note 5 of the financial statements.

#### **13 RELATED PARTY TRANSACTIONS**

All related party transactions and balances are disclosed in Note 30 to the financial statements.

#### **14 POLITICAL AND CHARITABLE DONATIONS**

The Group's charitable donations for the year amounted to Tshs 1,750,000. (2023: TShs 700,000).

#### **15 EMPLOYEES WELFARE**

There were sustained cordial relations between employees and management during the year under review. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without any regard to factors such as gender, marital status, tribes, religion and disability (which does not impair ability to discharge duties).

##### **Medical Assistance**

Members of staff were provided medical cover, with costs paid for by the Company. The Company is registered with the National Health Insurance Fund, other medical insurance providers and with selected hospitals where staff can access medical treatment with the resultant costs charged to the Company.

##### **Health and Safety**

A safe working environment is maintained for all employees and contractors via the provision of adequate and proper personal protective equipment, training, risk awareness and supervision as necessary.

##### **Financial Assistance to Staff**

Loans and advances are made available to confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances.

## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### 15 EMPLOYEE WELFARE (CONTINUED)

##### Employee benefit plan

The Company pays contributions to publicly administered pension plans on a mandatory basis which qualifies as a defined contribution plan.

##### Gender parity

	2024	2023
Male	241	211
female	<u>79</u>	<u>71</u>
	<u>320</u>	<u>282</u>

#### 16 AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of PricewaterhouseCoopers as auditors of the Group for year 2025 will be put to the Annual General Meeting.

#### 17 STATEMENT OF COMPLIANCE

The members charged with governance accept responsibility for preparing these financial statements which show true and fair view of the Company to the date of approval of the audited financial statements, in accordance with applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provision of the requirements of TFRS 1 and all other statutory legislation relevant to the Company.

##### BY ORDER OF THE BOARD

\_\_\_\_\_  
Karim S. Wissanji  
Director

\_\_\_\_\_  
Date

## **CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024**

The Companies Act, No.12 of 2002 requires directors to prepare financial statements for each financial year that 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 profit or loss for the year. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, No.12 of 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 profit or loss in accordance with IFRS Accounting Standards. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

The going concern basis of preparing financial statements has been adopted in line with explanations provided in Note 2.

Signed on behalf of the Board of directors by:

\_\_\_\_\_  
**Karim S. Wissanji**  
Director

\_\_\_\_\_  
**Date**

## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of directors as under directors' responsibility statement on an earlier page.

I, **Carol Silveira**, being the Financial Controller, on behalf of the Head of Finance of Consolidated Tourist & Hotels Investment Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with International Financial Reporting Standards and the requirements of the Companies Act, No 12 of 2002.

I thus confirm that the financial statements give a true and fair view of Consolidated Tourist & Hotels Investment Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

\_\_\_\_\_  
**Carol Silveira**  
**Financial Controller**

\_\_\_\_\_  
**Date**

NBAA Membership No: **ACPA 2606**

## *Independent auditor's report*

To the shareholders of Consolidated Tourist & Hotels Investment Limited

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

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#### *Our opinion*

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Consolidated Tourist & Hotels Investment Limited (the Company) and its subsidiary Sopa Management Limited (together the Group) as at 31 December 2024, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002.

#### **What we have audited**

The consolidated financial statements of Consolidated Tourist & Hotels Investment Limited as set out on pages 13 to 44 comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

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#### *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 Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the consolidated financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

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#### *Material uncertainty relating to going concern*

We draw attention to Note 2 in the financial statements which indicates that during the year ended 31 December 2024 the Group and Company's current liabilities exceeded its current assets by Tshs 11,452 million and 11,411 million (2023: Tshs 13,165 million and Tshs 13,163 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of the above matters.

## *Independent auditor's report*

To the shareholders of Consolidated Tourist & Hotels Investment Limited

### *Report on the audit of the financial statements (continued)*

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#### *Other information*

The directors are responsible for the other information. The other information comprises general information, Report by those charged with governance, Statement of directors' responsibilities and Declaration of the head of finance but does not include the financial statements and our auditor's 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 identified above 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 on the other information, 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.

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#### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the ability of the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

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#### *Auditor's responsibilities for the audit of the financial statements*

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

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

## *Independent auditor's report*

To the shareholders of Consolidated Tourist & Hotels Investment Limited

### *Report on the audit of the financial statements (continued)*

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#### *Auditor's responsibilities for the audit of the financial statements (continued)*

- Identify and assess the risks of material misstatement of the consolidated 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group's and 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 auditor's report to the related disclosures in the Group and Company 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 auditor's report. However, future events or conditions may cause the Group and/or 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

## *Independent auditor's report*

To the shareholders of Consolidated Tourist & Hotels Investment Limited

### *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 in accordance with the Companies Act, No. 12 of 2002 and for no other purposes.

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, The report by those charged with governance is not consistent with the consolidated financial statements, if the Company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

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Cletus Kiyuga, ACPA 1981

**For and on behalf of PricewaterhouseCoopers**  
Certified Public Accountants  
Dar es Salaam

Date: \_\_\_\_\_

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**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME**

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>TShs '000</b>	<b>TShs '000</b>	<b>TShs '000</b>	<b>TShs '000</b>
Revenue	6	<b>5,395,617</b>	3,728,020	<b>5,395,617</b>	3,728,020
Less: Concession fees and service charge		<b>(339,873)</b>	(165,299)	<b>(339,873)</b>	(165,299)
<b>Net revenue</b>		<b>5,055,744</b>	3,562,721	<b>5,055,744</b>	3,562,721
Cost of sales	7	<b>(6,610,287)</b>	(4,592,043)	<b>(6,610,287)</b>	(4,592,043)
<b>Gross loss</b>		<b>(1,554,543)</b>	(1,029,322)	<b>(1,554,543)</b>	(1,029,322)
Other income	8	<b>11,535,650</b>	10,884,945	<b>11,535,650</b>	10,884,945
Administrative expenses	9	<b>(13,219,100)</b>	(31,435,232)	<b>(13,180,505)</b>	(31,387,508)
<b>Operating loss</b>		<b>(3,237,993)</b>	(21,579,609)	<b>(3,199,398)</b>	(21,531,885)
Finance income	11	<b>3,858,613</b>	914,587	<b>3,858,613</b>	889,016
Finance costs	12	<b>(2,809,489)</b>	(4,051,478)	<b>(2,809,489)</b>	(4,051,478)
<b>Loss before income tax</b>		<b>(2,188,869)</b>	(24,716,500)	<b>(2,150,274)</b>	(24,694,347)
Income tax credit/(expense)	13	<b>1,425,301</b>	6,516,589	<b>1,425,901</b>	6,521,023
<b>Loss for the year</b>		<b>(763,568)</b>	(18,199,911)	<b>(724,373)</b>	(18,173,324)
<b>Loss is attributable to:</b>					
Equity holders of the Company		<b>(763,557)</b>	(18,199,903)	-	-
Non-controlling interest		<b>(11)</b>	(8)	-	-
<b>Loss for the year</b>		<b>(763,568)</b>	(18,199,911)	<b>(724,373)</b>	(18,173,324)
<b>Other comprehensive income</b>					
Release of excess depreciation, net of tax	23	<b>(171,047)</b>	(170,458)	<b>(171,047)</b>	(170,458)
<b>Total comprehensive loss for the year</b>		<b>(934,615)</b>	(18,370,369)	<b>(895,420)</b>	(18,343,782)
<b>Total comprehensive loss for the year attributable to:</b>					
Equity holders of the Company		<b>(934,615)</b>	(18,370,369)	<b>(895,420)</b>	(18,343,782)
Non-controlling interest		-	-	-	-
<b>Total comprehensive loss for the year</b>		<b>(934,615)</b>	(18,370,369)	<b>(895,420)</b>	(18,343,782)

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

ASSETS	Note	Group		Company	
		2024	2023	2024	2023
		TShs '000	TShs '000	TShs '000	TShs '000
<b>Non-current assets</b>					
Investment	16	-	-	102,960	102,960
Property, plant and equipment	14	85,068,356	57,766,119	85,068,356	57,766,119
Notes receivable	19	17,874,339	18,365,575	17,874,339	18,365,575
Trade and other receivables	18	2,691,057	2,772,311	2,691,057	2,772,311
Deferred income tax asset	27	3,502,222	3,831,116	3,502,222	3,831,116
		<b>109,135,974</b>	82,735,121	<b>109,238,934</b>	82,838,081
<b>Current assets</b>					
Inventories	17	2,944,687	2,388,884	2,944,687	2,388,884
Trade and other receivables	18	4,923,439	4,710,902	4,920,148	4,710,902
Cash and cash equivalent	21	654,867	678,142	397,496	598,148
		<b>8,522,993</b>	7,777,928	<b>8,262,331</b>	7,697,934
<b>TOTAL ASSETS</b>		<b>117,658,967</b>	90,513,049	<b>117,501,265</b>	90,536,015
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	22	375,000	375,000	375,000	375,000
Advance towards share capital	30	4,633,760	4,633,760	4,633,760	4,633,760
Revaluation reserves		5,493,574	5,664,622	5,493,574	5,664,622
Accumulated losses)/ Retained earnings		(3,130,016)	(2,609,960)	(2,985,921)	(2,505,060)
		<b>7,372,318</b>	8,063,422	<b>7,516,413</b>	8,168,322
Non-controlling interest		(43)	(32)	-	-
<b>Total equity</b>		<b>7,372,275</b>	8,063,390	<b>7,516,443</b>	8,168,322
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	25	36,368,041	19,418,630	36,368,041	19,418,630
Trade and other payables	24	55,738,548	41,878,726	55,738,548	41,878,726
Lease liabilities	28	157,907	209,386	157,907	209,386
		<b>92,264,496</b>	61,506,742	<b>92,264,496</b>	61,506,742
<b>Current liabilities</b>					
Borrowings	25	6,113,513	14,689,106	6,113,513	14,689,106
Trade and other payables	24	12,897,188	4,014,179	12,570,630	3,907,496
Corporate tax payable	26	(988,505)	2,239,632	(963,787)	2,264,349
		<b>18,022,192</b>	20,942,917	<b>17,720,356</b>	20,860,951
<b>Total liabilities</b>		<b>110,286,688</b>	82,449,659	<b>109,984,852</b>	82,367,693
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>117,658,967</b>	90,513,049	<b>117,501,265</b>	90,536,015

The financial statements on page 13 to 44 were approved by those charged with governance and signed on its behalf by:

**Karim S. Wissanji**  
Director

Date

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<b>GROUP</b>	<b>Share <u>capital</u></b> <b>Tshs 000'</b>	<b>Advance towards</b> <b>share capital</b> <b>Tshs 000'</b>	<b>Revaluation</b> <b>reserve</b> <b>Tshs 000'</b>	<b>Retained</b> <b>earnings</b> <b>Tshs 000'</b>	<b>Total</b> <b>Tshs 000'</b>	<b>Non-Controlling</b> <b>Interest</b> <b>Tshs 000'</b>	<b>Total</b> <b>Tshs 000'</b>
<b>Year ended 31 December 2024</b>							
At start of the year	375,000	4,633,760	5,664,622	(2,609,960)	8,063,422	(32)	8,063,390
<i>Comprehensive income:</i>							
Loss for the year	-	-	-	(763,568)	(763,568)	(11)	(763,579)
Release of excess depreciation (Note 23)	-	-	(243,512)	243,512	-	-	-
Deferred tax impact on release of excess depreciation	-	-	72,464	-	72,464	-	72,464
<b>At end of year</b>	<b>375,000</b>	<b>4,633,760</b>	<b>5,493,574</b>	<b>(3,130,016)</b>	<b>7,372,318</b>	<b>(43)</b>	<b>7,372,275</b>
<b>Year ended 31 December 2023</b>							
At start of the year	375,000	-	6,058,343	15,346,431	21,779,774	(24)	21,779,750
<i>Transaction with owners:</i>							
Addition	-	4,633,760	-	-	4,633,760	-	4,633,760
<i>Comprehensive income:</i>							
Loss for the year	-	-	-	(18,199,903)	(18,199,903)	(8)	(18,199,911)
Release of excess depreciation (Note 23)	-	-	(243,512)	243,512	-	-	-
Deferred tax impact on release of excess depreciation	-	-	73,054	-	73,054	-	73,054
Over provision of deferred tax on revaluation reserve- prior year	-	-	(223,263)	-	(223,263)	-	(223,263)
<b>At end of year</b>	<b>375,000</b>	<b>4,633,760</b>	<b>5,664,622</b>	<b>(2,609,960)</b>	<b>8,063,422</b>	<b>(32)</b>	<b>8,063,390</b>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

**COMPANY**

	<u>Share capital</u> TShs '000	<u>Advance Share capital</u> TShs '000	<u>Revaluation reserve</u> TShs '000	<u>Retained earnings</u> TShs '000	<u>Total</u> TShs '000
<b>Year ended 31 December 2024</b>					
At start of the year	375,000	4,633,760	5,664,622	(2,505,060)	8,168,322
<i>Comprehensive income:</i>					
Revaluation surplus (net of tax)	-	-	-	-	-
Loss for the year	-	-	-	(724,373)	(724,373)
Release of revaluation gains net of tax (Note 23)	-	-	(171,048)	243,512	72,464
<b>At end of year</b>	<b>375,000</b>	<b>4,633,760</b>	<b>5,493,574</b>	<b>(2,985,921)</b>	<b>7,516,413</b>
<b>Year ended 31 December 2023</b>					
At start of the year	375,000	-	6,058,343	15,424,752	21,858,095
Addition:	-	4,633,760	-	-	4,633,760
<i>Comprehensive income:</i>					
Loss for the year	-	-	-	(18,173,324)	(18,173,324)
Release of revaluation gains net of tax (Note 23)	-	-	(393,721)	243,512	(150,209)
<b>At end of year</b>	<b>375,000</b>	<b>4,633,760</b>	<b>5,664,622</b>	<b>(2,505,060)</b>	<b>8,168,322</b>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Note</u>	<u>Group</u>		<u>Company</u>	
		<u>2024</u> TShs '000	<u>2023</u> TShs '000	<u>2024</u> TShs '000	<u>2023</u> TShs '000
<b>Cash flow from operating activities</b>					
Profit before income tax		<b>(2,188,869)</b>	(24,716,500)	<b>(2,150,274)</b>	(24,694,347)
<i>Adjustment for non-cash items</i>					
Depreciation	14	<b>2,131,247</b>	2,156,218	<b>2,131,247</b>	2,156,218
Interest expense on lease liability		<b>15,007</b>	18,784	<b>15,007</b>	18,784
Interest income		-	-	-	-
Interest expense on borrowings	12	<b>2,794,482</b>	2,505,113	<b>2,794,482</b>	2,505,113
Depreciation – Right of use of asset		-	97,208	-	97,208
Write off withholding tax asset		-	-	-	-
Foreign exchange loss on borrowings	25	<b>(1,056,236)</b>	1,527,581	<b>(1,056,236)</b>	1,527,581
Foreign exchange loss on lease liability	28	<b>(9,608)</b>	16,597	<b>(9,608)</b>	16,597
		<b>1,686,023</b>	(18,394,999)	<b>1,724,618</b>	(18,372,846)
<i>Change in working capital items</i>					
Inventories		<b>(555,803)</b>	2,993	<b>(555,803)</b>	2,993
Trade, notes and other receivables		<b>(157,478)</b>	12,043,520	<b>(154,187)</b>	12,037,641
Trade and other payables		<b>22,617,419</b>	16,374,391	<b>22,397,556</b>	16,397,474
Cash generated from operations		<b>23,590,161</b>	10,025,905	<b>23,412,184</b>	10,065,262
Interest paid	25	<b>(2,794,482)</b>	(2,505,113)	<b>(2,794,482)</b>	(2,505,113)
Income tax paid	26	<b>(758,646)</b>	(188,899)	<b>(758,046)</b>	(155,062)

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# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### CONSOLIDATED STATEMENT OF CASH FLOWS

<b>Net cash generated from operations</b>		<b>20,037,033</b>	7,331,893	<b>19,859,656</b>	7,405,087
<b>Investing activities</b>					
Purchase of property and equipment	14	<b>(29,433,484)</b>	(21,911,151)	<b>(29,433,484)</b>	(21,911,151)
Interest income		-	-	-	-
<b>Net cash used in investing activities</b>		<b>(29,433,484)</b>	(21,911,151)	<b>(29,433,484)</b>	(21,911,151)
<b>Financing activities</b>					
Lease payments	28	<b>(56,878)</b>	(56,740)	<b>(56,878)</b>	(56,740)
Advance towards share capital		-	4,633,760	-	4,633,760
Proceeds from borrowings	25	<b>15,625,991</b>	10,275,554	<b>15,625,991</b>	10,275,554
Repayment of bank borrowings		<b>(3,908,878)</b>		<b>(3,908,878)</b>	
Repayment of loan		<b>(2,287,059)</b>		<b>(2,287,059)</b>	
<b>Net cash outflow from financing activities</b>		<b>9,373,176</b>	14,852,574	<b>9,373,176</b>	14,852,574
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(23,275)</b>	273,316	<b>(200,652)</b>	346,510
<b>Movement in cash and cash equivalents</b>					
At beginning of the year		<b>678,142</b>	404,826	<b>598,148</b>	251,638
Net increase in cash and cash equivalents		<b>(23,275)</b>	273,316	<b>(200,653)</b>	346,510
<b>At end of the year</b>		<b>654,867</b>	678,142	<b>397,496</b>	598,148

## 1 GENERAL INFORMATION

Consolidated Tourist & Hotels Investment Limited was incorporated in the United Republic of Tanzania as a limited liability Company and is domiciled in Tanzania. The principal activities of the Company are disclosed in the directors' report.

The address of its registered office is:  
99 Serengeti Road  
PO Box 1823  
Arusha, Tanzania

## 2 GOING CONCERN BASIS

During the year ended 31 December 2024, the Consolidated Group and Company incurred a net loss of TShs 2,315 million and Tshs. 2,276 million (2023: Tshs. 18,200 million and Tshs. 18,173 million) respectively. Furthermore, the consolidated Group and Company have a net current liability position as at year end of Tshs. (11,452) million and Tshs. (11,411) million respectively. (2023: Tshs. (13,165) million and Tshs. (13,163) million) respectively.

The financial statements have been prepared on a going concern basis given the relationship with financial institutions and the capacity of the Company's shareholders and sister company to support the financing requirements of the business. The Company has term loans with financial institutions that mature in 2027 and thereafter. Given the relationship with financial institutions and with the support of the Company's shareholders and sister company, the directors consider the Group will secure all required financing and when such financing is required. Based on that, nothing has come to the attention of the directors to indicate that the Company will not remain a going concern.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### CONSOLIDATED STATEMENT OF CASH FLOWS

#### 3 MATERIAL 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 the years presented, unless otherwise stated.

##### (a) Basis of preparation

The financial statements have been prepared in accordance 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 Tanzanian Shillings (TShs), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (b) Changes in accounting policy and disclosures (continued)

###### (i) New and amended standards adopted by the Company

There are no new or amended accounting standards that require the Company to change its accounting policies nor have material impact to the Company's financial statements.

###### (ii) New standards and amendments not yet effective and have not been adopted by the Company

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2023	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Annual improvements cycle 2018-2022	Annual periods beginning on or after 1 January 2023	These amendments include minor changes to: <ul style="list-style-type: none"><li>IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for recognition of a financial liability. Fees paid to third parties are excluded from this calculation.</li><li>IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.</li></ul>
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (c) Principles of consolidation and equity accounting

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

##### (d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied or services provided, stated net of value-added tax (VAT) and discounts.

The Group and the Company recognise revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Accommodation revenue is recognised when a room has been occupied as per the agreed rates per night/day. At this point, control is deemed to have passed to the third party.

For other goods and services provided (such as beverage, food, spa services), revenue is recognised when goods and services have been supplied and accepted by customers.

##### (e) Property and equipment

Property and equipment are initially recorded at cost. Subsequent to initial recognition, land and land developments are measured at fair value, all other items are measured at cost less accumulated depreciation. Except for land, which is not depreciated, depreciation is calculated on the straight-line method to write down the cost of each asset to their residual values over their expected useful life as follows:

Buildings	33 - 67 years
Machinery and equipment	4 - 8 years
Motor vehicles	3 - 4 years
Furniture and fittings	6 years

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (e) Property and equipment

Subsequent to revaluation, amount of revaluation gain is to be released over the remaining lease period using the excess depreciation approach.

Property and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating results.

During the year, management reviewed the life span of buildings and increased the estimated useful life to 67 years from 50 years.

Repairs and maintenance expenditure are charged to profit or loss during the financial period in which they are incurred. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

##### (f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Group and the Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer to note 3(m) below for further details about Group's and the Company's impairment policies.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (g) Income and deferred tax

Income tax expense for the period comprises current income tax and deferred income tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

##### (h) Provisions

Provisions are recognised when the Group 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 of the obligation can be made.

Where the Group and the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

##### (i) Foreign currency translation

###### *(i) Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group and the Company operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Group's and the Company's functional and presentation currency

###### *(ii) Transactions and balances*

Foreign currency transactions are translated into Tanzanian 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 recognised in profit or loss.

#### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

##### (j) Non-financial assets

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets (if any) that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis

#### **(k) 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 profit or loss over the period of the borrowings using the effective interest method. Borrowing costs are expensed in the period they accrue unless they can be related, with certainty, to fixed assets construction projects, in which case they are capitalized as part of the asset's cost. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

#### **(l) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

### **3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(m) Financial assets**

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### Classification:

The Group classifies its financial assets as measured at amortised cost. The classification is based on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Group and the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Cash and cash equivalents comprise cash and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's and the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### Impairment

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3(f) for further details.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### 3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### **(n) Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **(o) Leases**

Future lease payments are discounted using the Group's and the Company's incremental borrowing rate being the rate that the Group and the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### **(p) Employee benefits**

The Group has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group and the Company contributes to the publicly administered pension plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefits expense when they are due.

#### **(q) Comparatives**

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

#### **(r) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

##### **Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

##### Useful lives of property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment and their residual values. The rates used are set out in note 2(e) above.

##### Impairment of financial assets

Management carries out a regular review of the status of trade receivables and other financial assets to determine whether there is any indication that these assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, which is then dealt with in the profit or loss. In determining whether an impairment loss should be recognized in the profit or loss, management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the required provisions are based on critical evaluation of the economic circumstances involved, historical experience and other factors that are considered to be relevant.

##### Determination of the lease term:

In determining the lease term for the leased godown, management has considered the maximum agreed lease term, other facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

##### Determination of fair value of land and buildings:

In determining the fair value of land development and buildings, Management applied significant assumptions and estimates. The fair valuation was performed by an independent valuer i.e Fello Consultant Limited a certified valuer. To ensure the value of land and building do not differ materially with their carrying value, the valuation exercise will be performed frequently.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### Fair Method used

In determining the fair values, management uses the average of replacement cost and comparable market value. The replacement cost indicates values by calculating the cost of similar assets offering equivalent utility.

##### Fair value measurement

The different levels in assessing the input used in the determining the fair value of the biological assets and those of property, plant and equipment have been defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

##### Fair value Hierarchy

At 31 December 2024	Notes	Level 1 TShs '000	Level 2 TShs '000	Level 3 TShs '000	Total TShs '000
Land development	14	-	2,262,960	-	2,262,960
Buildings	14	-	-	18,637,406	18,637,406
		-	<b>2,262,960</b>	<b>18,637,406</b>	<b>20,900,366</b>

There were no transfers between different levels during the year.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 5 FINANCIAL RISK MANAGEMENT

##### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effect on the Group's profit or loss. Risk management is carried out by the management on behalf of the board of directors.

##### (a) Market risk

###### *(i) Foreign currency exchange risk*

The Group earns rental income and incurs some of its expenses in United States dollars. Furthermore, the Group has borrowings denominated in United States dollars from its sister company, shareholder and banks. Foreign exchange risk arises from commercial transactions, and recognised assets and liabilities.

At 31 December 2024, if the functional currency had strengthened/weakened by 5% against the US dollar with all other variables held constant, post-tax loss for the year would have been TShs 2,161 million (2023: TShs 1,761 million) lower/higher, mainly as a result in translation of US dollar denominated current assets and borrowings.

###### *(i) Price risk*

The Group is not exposed to any price risk.

###### *(iii) Interest rate risk*

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2024 and 2023, the Group's borrowings at fixed rate were denominated in the US dollar.

At 31 December 2024, if interest rates on US dollar denominated borrowings had been 0.5% higher/lower with all other variables held constant, post-tax loss for the year would have been TShs 0.5 million (2023: TShs0.5 million) lower/higher, mainly as a result of higher/lower interest expense on borrowings.

##### b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 5.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

###### Exposure:

The amount that represents the Group's exposure to credit risk at 31 December is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
Cash at bank	551,529	593,214	302,740	521,802
Trade receivables	468,785	625,563	468,785	625,563
Notes receivable	17,874,339	18,365,575	17,874,339	18,365,575
Due from related parties	2,691,057	2,772,311	2,691,057	2,772,311
Other receivables (excluding deposits and prepayments)	4,344,923	3,827,274	4,341,632	3,827,274
	<u>25,930,633</u>	<u>26,183,937</u>	<u>25,678,553</u>	<u>26,112,525</u>

###### Risk Management:

The Group has policies in place to ensure that the exposure to credit risk is monitored on an ongoing basis. Credit limits of tour operators are monitored on a regular basis. At the beginning of each year, the Company enters into agreements with tour operators stipulating the rates and agreed credit terms.

Sales to walk-in customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

###### Impairment of financial assets:

The Group financial assets are measured at amortised cost and are subject to credit loss model. The Group has two types of financial assets that are subject to IFRS 9 impairment requirements (expected credit losses):

- Trade and other receivables (excluding prepayments and deposits); and
- Cash at bank.

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

###### Trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the trade receivables.

# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 5.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables based on the country's economy and tourism trends in the foreseeable future.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables.

31 December 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.2%	1.5%	5%	15%	
Gross receivables (TShs million)	273	114	73	9	469
<b>Loss allowance* (TShs million)</b>	<b>0.55</b>	<b>1.71</b>	<b>3.63</b>	<b>1.38</b>	<b>7.27</b>

31 December 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.2%	1.5%	5%	15%	
Gross receivables (TShs million)	348	130	87	60	625
<b>Loss allowance* (TShs million)</b>	<b>0.70</b>	<b>1.95</b>	<b>4.36</b>	<b>8.97</b>	<b>15.97</b>

*\*No adjustments have been made in the financial statements as the amounts are immaterial and balances have been subsequently recovered.*

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the customer to meet the agreed monthly purchase targets and severe financial difficulties faced by the customer. This assessment is performed on a case by case basis.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### NOTES (CONTINUED)

#### 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### 5.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

###### Bank balances

There is no independent credit rating for banks operating in Tanzania. However, the Group banks with reputable local and international banks. In the view of the directors, risk of non-performance by the counterparties is insignificant. The balance held at bank by type of counterparty as at 31 December each year was:

<u>Cash at Bank</u>	<u>Group</u>		<u>Company</u>	
	<u>2024</u> TShs '000	<u>2023</u> TShs '000	<u>2024</u> TShs '000	<u>2023</u> TShs'000
NBC Bank Limited	143,816	397,537	143,816	395,298
Exim Bank Limited	8,149	88,858	8,149	88,858
Diamond Trust Bank Tanzania Limited	-	14,712	-	-
CRDB Bank Limited	338	-	338	-
ABSA Bank Tanzania Limited	248,789	62,303	-	7,842
Azania Bank Limited	-	1,392	-	1,392
NMB Bank PLC	150,437	28,412	150,437	28,412
	<u>551,529</u>	<u>593,214</u>	<u>302,740</u>	<u>521,802</u>

##### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the ability to meet all its obligations. The Group aims at maintaining flexibility in funding its major operations. Management monitors forecasts of the Group's liquidity on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	<u>Less than 1 year</u> TShs '000	<u>Between 1 and 2 years</u> TShs '000	<u>Between 2 and 5 years</u> TShs '000
<b>At 31 December 2024</b>			
Borrowings	4,145,724	8,279,221	30,056,609
Trade and other payables	12,570,631	-	-
	<u>16,716,355</u>	<u>12,068,261</u>	<u>30,056,609</u>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**5 FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(c) Liquidity risk (continued)**

	<u>Less than 1 year</u> TShs '000	<u>Between and 2 year</u> TShs '000	<u>Between 2 and 5 year</u> TShs '000
<b>At 31 December 2023</b>			
Borrowings	14,689,106	12,068,261	7,627,418
Trade and other payables	4,014,181	-	-
	<u><b>18,703,287</b></u>	<u><b>12,068,261</b></u>	<u><b>7,627,418</b></u>

**5.2 Capital risk management**

The Group's capital management objectives are to maintain liquidity to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, gearing ratio is calculated as net external borrowings divided by total capital. Net external borrowings are calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net external borrowings. The Group utilises borrowing facilities to finance its investment and working capital requirements. The gearing ratios at 31 December 2024 and 31 December 2023 were as follows:

	<u>2024</u> TShs '000	<u>2023</u> TShs '000	<u>2024</u> TShs '000	<u>2023</u> TShs '000
Borrowings	42,481,554	34,107,736	42,481,554	34,107,736
Less: cash and cash equivalents	<u>(654,867)</u>	<u>(678,142)</u>	<u>(397,496)</u>	<u>(598,148)</u>
Net debt	41,826,687	33,429,594	42,084,058	33,509,588
Total equity	<u>5,820,986</u>	<u>8,063,390</u>	<u>5,965,113</u>	<u>8,168,322</u>
Total capital	<u><b>47,647,673</b></u>	<u>41,492,984</u>	<u><b>48,049,171</b></u>	<u>41,677,910</u>
Gearing ratio	<u><b>88%</b></u>	81%	<u><b>88%</b></u>	80%

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

6	REVENUE	<u>Group</u>		<u>Company</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		TShs '000	TShs '000	TShs '000	TShs '000
	Accommodation	7,297,778	5,405,091	7,297,778	5,405,091
	Food	378,776	177,058	378,776	177,058
	Beverage	473,500	368,554	473,500	368,554
	Other sales	288,212	400,445	288,212	400,445
		<b>8,438,266</b>	6,351,148	<b>8,438,266</b>	6,351,148
	Less: VAT on sales	<b>(3,042,649)</b>	(2,623,128)	<b>(3,042,649)</b>	(2,623,128)
		<b>5,395,617</b>	3,728,020	<b>5,395,617</b>	3,728,020
7	<b>COST OF SALES</b>				
	Food consumption	1,208,818	897,560	1,208,818	897,560
	Beverage consumption	98,689	77,857	98,689	77,857
	Fuel and oil consumption	636,518	490,279	636,518	490,279
	Housekeeping stock consumption	147,658	93,287	147,658	93,287
	Repair and maintenance consumption	727,513	1,039,747	727,513	1,039,747
	Stock losses	698	(6,097)	698	(6,097)
	Employee benefit expense (Note 10)	2,803,428	1,117,543	2,803,428	1,117,543
	Other direct costs	986,965	881,867	986,965	881,867
		<b>6,610,287</b>	4,592,043	<b>6,610,287</b>	4,592,043
8	<b>OTHER INCOME</b>				
	Service fee – Elewana Afrika (T) Limited	1,102,281	793,723	1,102,281	793,723
	Rental income	325,380	295,812	325,380	295,812
	Sale of inventory items*	8,825,353	7,103,310	8,825,353	7,103,310
	Other miscellaneous income**	1,282,636	2,692,100	1,282,636	2,692,100
		<b>11,535,650</b>	10,884,945	<b>11,535,650</b>	10,884,945

\* The Company has a centralised procurement unit that purchases inventory and service items within the Group. To comply with transfer pricing regulations, sale of these items to its related entities is transacted at cost plus an appropriate margin.

\*\* The miscellaneous income represents management fees and other charges to other related entities.

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**9 ADMINISTRATIVE EXPENSES**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
Repairs and maintenance	35,463	216,629	35,463	216,629
Audit fees	66,981	80,439	59,316	71,690
Consultancy fees	30,419	80,318	23,694	70,206
Insurance	119,543	134,712	119,543	134,712
Advertising and marketing	179,166	48,822	179,166	48,822
Depreciation – right of use of asset	-	97,208	-	97,208
Depreciation	2,131,247	2,156,218	2,131,247	2,156,218
Employee benefit expense (Note 10)	2,641,589	2,921,994	2,641,589	2,921,994
Bank charges	143,603	287,142	143,603	287,143
Telephone charges	33,419	15,889	33,419	15,889
Cost of inventory items sold	6,668,027	6,010,129	6,668,027	6,010,129
Cost incurred in generating other income	1,096,537	2,347,375	1,096,537	2,347,375
Accrued Interest income (Note 19)		-16,573,117		-16,573,117
Other expenses	75,443	465,240	48,901	436,376
	<u>13,221,437</u>	<u>31,435,232</u>	<u>13,180,505</u>	<u>31,387,508</u>

**10 EMPLOYEE BENEFIT EXPENSE**

Salaries & Wages	3,938,075	2,730,758	3,938,075	2,730,758
Social Security Contributions	406,013	298,643	406,013	298,643
NHIF Contribution	62,535	45,140	62,535	45,140
Skill development levy	149,265	119,842	149,265	119,842
Workmen compensation fund	21,422	16,167	21,422	16,167
Staff terminal benefits	126,048	9,500	126,048	9,500
Staff employment related expenses	741,659	819,487	741,659	819,487
	<u>5,445,017</u>	<u>4,039,537</u>	<u>5,445,017</u>	<u>4,039,537</u>
<i>Classified under:</i>				
Cost of sales	2,803,428	1,117,543	2,803,428	1,117,543
Administrative expenses	2,641,589	2,921,994	2,641,589	2,921,994
	<u>5,445,017</u>	<u>4,039,537</u>	<u>5,445,017</u>	<u>4,039,537</u>

**11 FINANCE INCOME**

Interest income on related party loan	313,132	105,435	313,132	105,435
Exchange gain on borrowings	1,056,236	-	1,056,236	-
Exchange gain on related party loan	2,491,582	809,152	2,489,245	783,581
	<u>3,860,950</u>	<u>914,587</u>	<u>3,858,613</u>	<u>889,016</u>

CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

12 FINANCE COSTS

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
Exchange gain on borrowings	-	1,527,581	-	1,527,581
Interest on lease liability	15,007	18,784	15,007	18,784
Interest on borrowings from the bank	2,794,482	2,505,113	2,794,482	2,505,113
	<u>2,809,489</u>	<u>4,051,478</u>	<u>2,809,489</u>	<u>4,051,478</u>

13 INCOME TAX (CREDIT)/EXPENSE

Current income tax	- current year	233,762	75,469	233,162	75,469
	- prior periods	(2,060,421)	126,778	(2,060,421)	122,344
Deferred income tax	- current year	235,482	(6,814,519)	235,482	(6,814,519)
	- prior periods	165,876	95,683	165,876	95,683
		<u>(1,425,301)</u>	<u>(6,516,589)</u>	<u>(1,425,901)</u>	<u>(6,521,023)</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

Loss before tax	(2,188,869)	(24,716,500)	(2,150,274)	(24,450,574)
Tax calculated at the rate of 30%	(656,661)	(7,335,172)	(645,082)	(7,335,172)
Tax effect of:				
- Items not allowable for tax purposes	1,017,542	600,431	1,005,963	593,785
- Alternative minimum tax	102,850	72,238	102,250	72,238
- Realised forex loss on borrowings	-	-	-	-
- Over provision in prior years current tax	(2,060,421)	126,778	(2,060,421)	122,344
- Over provision in prior year deferred tax	165,876	95,683	165,876	95,683
- Deferred tax not recognised	-	-	-	-
- Release of prior year deferred tax liability	-	-	-	-
- Penalties	5,513	3,231	5,513	3,231
Income tax (credit)/expense	<u>(1,425,301)</u>	<u>(6,516,589)</u>	<u>(1,425,901)</u>	<u>(6,521,023)</u>

CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

14 PROPERTY AND EQUIPMENT

Group and Company	Land development and buildings TShs '000	Machinery and equipment TShs '000	Furniture and fittings TShs '000	Motor vehicle TShs '000	WIP TShs '000	Total TShs '000
<b>Year ended 31 December 2024</b>						
Opening net book amount	22,761,622	23,129	45,443	1,416,392	33,519,533	57,766,119
Additions	-	2,500	65,279	-	29,365,705	29,433,484
Depreciation charge	(1,861,256)	(7,638)	(20,071)	(242,282)	-	(2,131,247)
Closing net book amount	<b>20,900,366</b>	<b>17,991</b>	<b>90,651</b>	<b>1,174,110</b>	<b>62,885,238</b>	<b>85,068,356</b>
<b>At 31 December 2024</b>						
Cost	67,345,195	3,554,544	2,097,894	3,897,339	62,885,238	139,780,210
Accumulated depreciation	(46,444,829)	(3,536,553)	(2,007,243)	(2,723,229)	-	(54,711,854)
<b>Net book amount</b>	<b>20,900,366</b>	<b>17,991</b>	<b>90,651</b>	<b>1,174,110</b>	<b>62,885,238</b>	<b>85,068,356</b>
<b>Year ended 31 December 2023</b>						
Opening net book amount	24,622,878	35,463	3,404	30,396	13,319,045	38,011,186
Additions	-	4,081	49,013	1,657,569	20,200,488	21,911,151
Depreciation charge	(1,861,256)	(16,415)	(6,974)	(271,573)	-	(2,156,218)
Closing net book amount	<b>22,761,622</b>	<b>23,129</b>	<b>45,443</b>	<b>1,416,392</b>	<b>33,519,533</b>	<b>57,766,119</b>
<b>At 31 December 2023</b>						
Cost	67,345,195	3,552,044	2,032,615	3,897,339	33,519,533	110,346,726
Accumulated depreciation	(44,583,573)	(3,528,915)	(1,987,172)	(2,480,947)	-	(52,580,607)
<b>Net book amount</b>	<b>22,761,622</b>	<b>23,129</b>	<b>45,443</b>	<b>1,416,392</b>	<b>33,519,533</b>	<b>57,766,119</b>

CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES (CONTINUED)

<b>15</b>	<b>INVESTMENT IN SUBSIDIARY</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
		<b>TShs '000</b>	<b>TShs '000</b>
	<b>Entity</b>		
	Sopa Management Limited	<b><u>102,960</u></b>	<b><u>102,960</u></b>

The Company's investment in Sopa Management Limited represents a 99% equity interest.

(i) Summarised financial information for investments

The table below provide summaries financial information for the investment. The information disclosed reflects the amounts presented in the financial statements of the relevant investment and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

<b>Summarised statement of financial position</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b>TShs '000</b>	<b>TShs '000</b>
<u>Current assets</u>		
Cash and cash equivalents	<b>257,371</b>	79,994
Other current assets	<b><u>28,009</u></b>	<u>24,718</u>
Total current assets	<b><u>285,380</u></b>	<u>104,712</u>
<u>Current liabilities</u>		
Financial liabilities (excluding trade payables)	-	-
Other current liabilities	<b><u>326,554</u></b>	<u>106,691</u>
Total current liabilities	<b><u>326,554</u></b>	<u>106,691</u>
<u>Non-current liabilities</u>		
Financial liabilities (excluding trade payables)	-	-
Other non-current liabilities	<u>-</u>	<u>-</u>
Total non-current liabilities	<u>-</u>	<u>-</u>
<b>Net liability</b>	<b><u>(41,174)</u></b>	<b><u>(1,979)</u></b>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**16 INVESTMENT IN SUBSIDIARIES (CONTINUED)**

<b>Summarised statement of comprehensive income</b>	<b><u>2024</u></b> TShs '000	<b><u>2023</u></b> TShs '000
Other income	-	-
(Loss)/Profit for the period	<u>(39,195)</u>	<u>(26,591)</u>
Other comprehensive income	-	-
Total comprehensive loss	<u>(39,195)</u>	<u>(26,591)</u>
(Loss)/Profit allocated to NCI	(11)	(8)
Dividends paid to NCI	-	-

**17 INVENTORIES**

	<b><u>Group</u></b>		<b><u>Company</u></b>	
	<b><u>2024</u></b> TShs '000	<b><u>2023</u></b> TShs '000	<b><u>2024</u></b> TShs '000	<b><u>2023</u></b> TShs '000
Consumables	2,937,488	2,369,029	2,937,488	2,369,029
Stock in transit	7,199	19,855	7,199	19,855
	<u>2,944,687</u>	<u>2,388,884</u>	<u>2,944,687</u>	<u>2,388,884</u>

**18 TRADE AND OTHER RECEIVABLES**

Trade receivables	468,785	625,563	468,785	625,563
Due from related parties (Note 30)	2,691,057	2,772,311	2,691,057	2,772,311
Withholding tax and VAT receivable	4,046,293	2,452,727	4,046,293	2,452,727
Prepayments and deposits	109,731	258,065	109,731	258,065
Other receivable	298,630	1,374,547	295,339	1,374,547
	<u>7,614,496</u>	<u>7,483,213</u>	<u>7,611,205</u>	<u>7,483,213</u>
Classified as:				
Current Assets	4,923,439	4,710,902	4,920,148	4,710,902
Non-Current Assets	2,691,057	2,772,311	2,691,057	2,772,311
	<u>7,614,496</u>	<u>7,483,213</u>	<u>7,611,205</u>	<u>7,483,213</u>

\* No provision for doubtful debts has been made in the financial statements as the trade receivables balances have been subsequently recovered or are recoverable in full.

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**18 TRADE AND OTHER RECEIVABLES (CONTINUED)**

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency	Group		Company	
	2024 TShs '000	2023 TShs '000	2024 TShs '000	2023 TShs '000
US Dollars	3,159,842	3,397,874	3,159,842	3,397,874
Tanzanian Shillings	4,454,654	4,085,339	4,451,363	4,085,339
	<b>7,614,496</b>	<b>7,483,213</b>	<b>7,611,205</b>	<b>7,483,213</b>

**19 NOTES RECEIVABLE**

Opening balance	18,365,575	31,860,150	18,365,575	31,860,150
Interest income	289,329	-	289,329	-
Payment / Additions	39,610	(118,113)	39,610	(118,113)
Interest written off	-	(16,573,117)	-	(16,573,117)
Foreign exchange gain	(820,175)	3,196,655	(820,175)	3,196,655
	<b>17,874,339</b>	<b>18,365,575</b>	<b>17,874,339</b>	<b>18,365,575</b>

In 2013, the Company entered into a loan agreement with Lionsgate Limited (a related party) in the amount of USD 6 million to enable Lionsgate Limited fund its business transactions. The loan was issued at an interest rate of 8% plus 2% payable on the amount outstanding.

**20 FINANCIAL INSTRUMENTS**

**(a) By category**

**Financial assets at amortised cost**

Trade receivables	468,785	625,563	468,785	625,563
Notes receivable	17,874,339	18,365,575	17,874,339	18,365,575
Due from related parties	2,691,057	2,772,311	2,691,057	2,772,311
Other receivables (excluding deposits and prepayments)	4,344,923	3,827,274	4,341,632	3,827,274
Cash at bank	302,740	593,214	302,740	521,803
	<b>25,681,844</b>	<b>26,183,937</b>	<b>25,678,553</b>	<b>26,112,526</b>

**Other financial liabilities at amortised cost**

Trade and other payables (excluding statutory obligations)	68,376,529	45,608,618	68,049,985	45,501,938
Borrowings	42,481,554	34,107,736	42,481,554	34,107,736
	<b>110,858,083</b>	<b>79,716,354</b>	<b>110,531,539</b>	<b>79,609,674</b>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**21 CASH AND CASH EQUIVALENTS**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
Cash at bank	551,529	593,214	302,740	521,802
Cash in hand	94,756	76,346	94,756	76,346
Deposit held at call with banks	8,582	8,582	-	-

**22 SHARE CAPITAL**

	<u>2024</u>		<u>2023</u>	
	TShs '000	TShs '000	TShs '000	TShs '000
Authorised, issued, subscribed, and fully paid share capital 375,000 shares (per value of TShs 1,000 per share) Value (TShs '000)			375,000	375,000

**23 REVALUATION RESERVES**

Opening balance		5,664,622	6,058,343
Addition to Revaluation reserves net of tax		-	-
Release of excess depreciation net of tax		(171,048)	(170,458)
Over provision of deferred tax on revaluation reserves - prior year			(223,263)
		<u>5,493,574</u>	<u>5,664,622</u>

During the year, there has been release of excess depreciation from Revaluation reserves relating to revalued land.

**24 TRADE AND OTHER PAYABLES**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
Trade payables	2,934,376	2,652,330	2,934,376	2,652,330
Due to related parties (Note 30 (iii))	63,312,065	42,237,062	63,091,479	42,237,062
Accrued expenses	628,671	157,053	615,679	143,336
Taxes and levies	259,194	284,287	259,194	284,287
Other payables	1,501,419	562,173	1,408,450	469,207
	<u>68,635,725</u>	<u>45,892,905</u>	<u>68,309,178</u>	<u>45,786,222</u>
Classified as:				
Current Liabilities	12,897,177	4,014,179	12,570,630	3,907,496
Non-Current Liabilities	55,738,548	41,878,726	55,738,548	41,878,726
	<u>68,635,725</u>	<u>45,892,905</u>	<u>68,309,178</u>	<u>45,786,222</u>

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

25 BORROWINGS	<u>Group</u>		<u>Company</u>	
	<u>2024</u> TShs '000	<u>2023</u> TShs '000	<u>2024</u> TShs '000	<u>2023</u> TShs '000
<b>Non-current</b>				
Consolidated Tourist and Hotels Investment Ltd (Jersey) Loan	<b>18,938,800</b>		<b>18,938,800</b>	
I&M Bank term loan	<u>17,429,241</u>	19,418,630	<u>17,429,241</u>	19,418,630
	<b>36,368,041</b>	19,418,630	<b>36,368,041</b>	19,418,630
<b>Current</b>				
Consolidated Tourist and Hotels Investment Ltd (Jersey) Loan Borrowings		- 6,288,534		- 6,288,534
	<u>6,113,513</u>	8,400,572	<u>6,113,513</u>	8,400,572
<b>Total borrowings</b>	<u>42,481,554</u>	34,107,736	<u>42,481,554</u>	34,107,736

Movement in Borrowings is as follows

<u>Group and Company</u>	<u>2024</u> TShs '000	<u>2023</u> TShs '000
At the start of the year	34,107,736	22,304,601
Additions during the year – Related party Loan (Note 30)	12,650,266	6,288,534
Additions during the year-I&M Loan	2,975,725	
Additions during the year – Overdraft	-	3,987,020
Interest during the year	2,794,482	2,505,113
Payments:		
- Overdraft	(2,287,059)	
- Principal	(3,908,878)	
- Interest	(2,794,482)	(2,505,113)
Currency revaluation	(1,056,236)	1,527,581
At end of the year	<u>42,481,554</u>	<u>34,107,736</u>

**(i) Term loan – I & M Bank Limited**

The term loan facility of USD 10 million (drawn down USD 8.9 million) was acquired from I&M Bank for working capital, capital expenditure and to take over existing facilities from Bank M Limited. The borrowing matures in February 2029 and bears interest at a rate of 9.84% pa. The loan is payable over 62 monthly installments commencing from January 2024. The loan is secured by legal mortgage over Sopa Plaza, assignment of lease hold rights between the Board of Trustees of the Tanzania National Parks and the Company over the Sopa Lodges properties, debenture charge over all fixed and floating assets of the Company and of Sopa Management Limited, personal guarantee of Karim Wissanji and corporate guarantee of Sopa Management Limited.

**(ii) Bank Overdraft – I & M Bank Limited**

The Company has overdraft facilities made available by I & M Bank Limited, available in USD and TShs. The facilities are used to meet working capital requirements of the Company. Interest in the facilities is charged at the bank's USD Prime Lending rate minus 1.5% effective 8.34% per annum

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

for USD overdraft facility and the bank's TShs Prime Lending rate minus 1.5% effective 17.5% per annum for the TShs overdraft facility.

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**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

**25 BORROWINGS (CONTINUED)**

**(iii) Short term advance from Consolidated Tourist And Hotels Investments Limited (Parent Company)**

During the year, the Company's parent company made available a facility of USD 4,800,000 for the purpose of maintaining the Company's operations and for furtherance of the renovations of its properties. The loan attracts interest not exceeding the prime rate of USD denominated short term facilities available in Tanzania and the lender reserves the right to charge interest on the outstanding balance of the facility. The facility shall be repaid not more than 364 days from the date of issuing facility.

**26 INCOME TAX PAYABLE**

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
At beginning of the year	2,239,632	2,226,284	2,264,349	2,221,598
Income tax (credit)/charge	(1,952,658)	202,247	(1,952,658)	197,813
Write off withholding tax asset	-	-	-	-
Withholding tax asset	(517,432)	(35,734)	(517,432)	(35,734)
Payment during the year	(758,046)	(153,165)	(758,046)	(119,328)
At end of the year	988,505	2,239,632	(963,787)	2,264,349

**27 DEFERRED TAX ASSET/(LIABILITY)**

The gross movement on the deferred tax account is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
At beginning of the year	3,831,116	(2,737,510)	3,831,116	(2,737,510)
Income tax charge/(credit)	(401,358)	6,718,836	(401,358)	6,718,836
Deferred tax on Revaluation reserves	-	-	-	-
Deferred tax on released excess depreciation		73,053	72,463	73,053
Over provision of deferred tax on revaluation reserve - prior year		(223,263)	-	(223,263)
At end of the year	3,429,758	3,831,116	3,502,221	3,831,116
Accelerated tax depreciation	3,106,800	(3,536,584)	(3,106,800)	(3,536,584)
Other temporary differences	583,358	232,744	(583,358)	232,744
Revaluation reserves	2,596,433	(2,427,696)	(2,523,970)	(2,427,696)
Losses	(9,716,349)	9,562,652	9,716,349	9,562,652

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

Deferred tax (liability)/asset	<u>3,429,758</u>	<u>3,831,116</u>	<u>3,502,221</u>	<u>3,831,116</u>
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## CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### NOTES (CONTINUED)

#### 28 LEASE LIABILITY

In January 2019, the Company entered into a lease agreement for a godown for the purpose of storage of inventory and other items.

	<b>Group</b>		<b>Group</b>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000	TShs '000	TShs '000
At 1 January	209,386	230,745	209,386	230,745
Lease payment	(56,878)	(56,740)	(56,878)	(56,740)
Finance cost	15,007	18,784	15,007	18,784
Foreign exchange (gain)/loss on translation	(9,608)	16,597	(9,608)	16,597
	<b>157,907</b>	<b>209,386</b>	<b>157,907</b>	<b>209,386</b>

#### 29 CONTINGENT LIABILITIES

In the opinion of the directors, there were no contingent liabilities as at the statement of financial position date (2023: Nil).

#### 30 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties for the Group and the Company include its shareholders, other companies under common ownership and/or directorship. During the year, the following transactions were carried out with related parties:

##### GROUP & COMPANY

	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000
<b>i) Sale of services:</b>		
Rental income from Elewana Afrika (T) Limited (entity under common directorship)	91,869	83,690
Rental income from Elewana Travel Limited (entity under common directorship)	22,511	20,508
Rental income from Cheli & Peacock	68,350	62,266
Management fees from Elewana Afrika (T) Limited & Moru Holdings	1,102,281	699,157
	<b>1,285,161</b>	<b>865,621</b>
<b>ii) Amounts due from related parties</b>		
Akorn Investment Limited (entity under common ownership)	1,690,302	1,868,682
Cheli & Peacock Limited (entity under common ownership)	105,257	-
Trilogy Limited (entity under common ownership)	2,432	2,432
Sopa Management Limited (entity under common ownership)	220,586	-
Elewana Afrika (T) Limited (entity under common ownership)	-	253,190
Elewana Travel Limited	9,917	12,503
Kings Bridge Limited (entity under common ownership)	662,563	635,504

**CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**NOTES (CONTINUED)**

<u>2,691,057</u>	<u>2,772,311</u>
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# CONSOLIDATED TOURIST & HOTELS INVESTMENT LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### NOTES (CONTINUED)

#### 30 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	<u>2024</u>	<u>2023</u>
	TShs '000	TShs '000
<b>iii) Amounts due to related parties</b>		
Masai Mara (Sopa) Lodge Limited (sister company) (a)	55,738,548	41,878,726
Deep Water Limited (entity under common directorship)	-	358,336
Elewana Afrika (T) Limited (entity under common directorship)	<u>7,352,931</u>	<u>-</u>
	<u>63,091,479</u>	<u>42,237,062</u>
<b>iv) Notes receivable from related parties</b>		
Lionsgate Limited (entity under common directorship)	<u>17,874,339</u>	<u>18,365,575</u>
<p>The Company has advanced funds to related companies which are unsecured, interest free except for Lionsgate Limited) and repayable on demand.</p>		
<b>v) Loan payable to related parties</b>		
Consolidated Tourist And Hotels Investments Limited (ultimate holding company incorporated in Jersey)	<u>18,938,800</u>	<u>6,288,534</u>
<b>vi) Directors' emolument</b>		
<p>No fees or remuneration were paid to directors during the year.</p>		
<b>vii) Advance towards share capital</b>		
Consolidated Tourist And Hotels Investments Limited	<u>4,633,760</u>	<u>4,633,760</u>
<b>viii) Key management compensation</b>		
Management compensation	<u>1,528,424</u>	<u>1,158,124</u>

#### 31 ULTIMATE HOLDING COMPANY

The immediate and ultimate holding company is Consolidated Tourist and Hotels Investments Limited, a company incorporated in Jersey in the Channel Islands.

#### 32 EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any subsequent event with material impact to the Group.