

# **ANNUAL ACCOUNTS**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

**P. O. BOX 361**

**DAR ES SALAAM**

**FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2022**

**PROBS ASSOCIATES**

**CERTIFIED PUBLIC ACCOUNTANTS AUDITORS**

**P.O.BOX 20475, DAR ES SALAAM, TANZANIA**

**TEL MOB: +255 0786 733892**

**M/S WELWORTH HOTELS & LODGES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2022**

**M/S WELWORTH HOTELS & LODGES LIMITED**  
Annual report and financial statements  
For the year ended 31<sup>st</sup> December, 2022

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The following information does not form part of the financial statements:

Tax computation Appendix 1

# **M/S WELLWORTH HOTELS & LODGES LIMITED**

Company information's

For the year ended 31<sup>st</sup> December, 2022

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<b>Board of the director</b>	<b>Names</b>	<b>Nationality</b>
	Mr. Gulam Hussein Ismail	Tanzanian
	Mr. Zainab Gulam Ismail	Tanzanian

**Registered Office** Raha tower, Plot no. 34, 4th Floor  
Titi / Maktaba  
Ilala, Dar es Salaam  
Tanzania

**Independent Accountant** Probs Associates  
Accountant and Auditor  
Morogoro road plot no. 2423 block 208  
P.O Box 20475  
Dar es Salaam  
Tanzania

## **M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of Directors

For the year ended 31<sup>st</sup> December, 2022

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The directors submit their annual report together with the financial statements for the year ended 31<sup>st</sup> December, 2021 which discloses the state of affairs of the company.

### **Incorporation**

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzania Companies Act 2002. The address of the registered office is set out on page 1.

### **Principal activities**

The Principal activity of the company is selling of hotels and lodges.

### **Result of dividends**

The Loss for the year was T.shs. 462,823,394/= has been transferred to accumulated profit/losses. The directors do not recommend the declaration of a dividend for the year.

### **Capital structure and cash flows**

The capital structure of the company is outlined in Note: 9

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

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programmed focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

### **Employee's welfare**

The company's employment terms are reviewed annually to insure that they meet statutory and market condition.

**M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of directors

For the year ended 31<sup>st</sup> December, 2022

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**Related Party Transactions**

Transactions with related parties during the year were in normal course of business.

**Disabled Persons**

It remains the company's policy to accept disabled persons for employments for those vacancies that they are able to fill.


**Directorate**

The directors who held office during the year and the date of this report are set out on page no.1

**Auditor**

M/S Probs Associates have indicated their willingness to continue in office in accordance with the Companies Act. A motion will be propose at the Annual Meeting that, they be re-appointed and their remuneration be fixed by the Directors.

**BY ORDER OF THE BOARD**

  
**Mr. Gulam Hussein Ismail**  
**Managing Director**



Dar es Salaam 04/12, 2023

## **M/S WELLWORTH HOTELS & LODGES LIMITED**

Statement of Directors responsibilities

For the year ended 31<sup>st</sup> December, 2022

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The Tanzania Companies Act 2002 requires the directors to prepare financial statements for the 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 profits or loss for the year. It also requires the director to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial positions of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statement that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements:
- ii) Selecting and applying appropriate accounting policies : and
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

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 as at 31<sup>st</sup> December, 2022 and of its profit and cash flows for the ear then indeed in accordance with the International Financial Report for Small and Medium-size entities and the requirements of the Tanzania Companies Act 2002

Approved by board of the director on 04 / 12, 2023 and signed on its behalf by

  
\_\_\_\_\_  
**Mr. Gulam Hussein Ismail**  
**Managing Director**



**M/S WELLWORTH HOTELS & LODGES LIMITED**

**Declaration of the Independent Accountant For the year ended 31<sup>st</sup> December 2022**

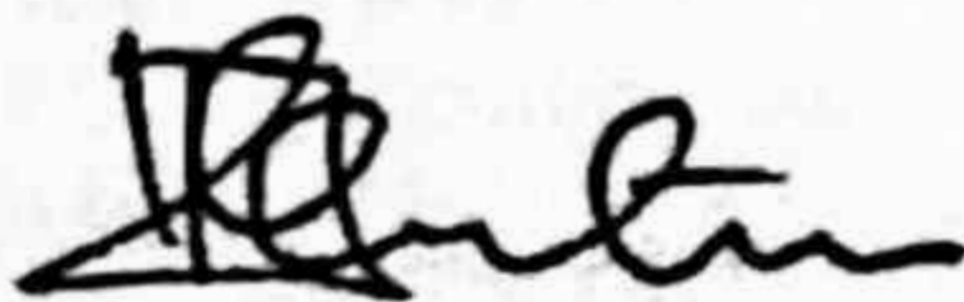
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The National Board of Accountant and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible of 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 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 statement rests with the Board of Directors Responsibility statement on an earlier page.

I, **Julian J. Mutunzi** being the Head of Financial/Accountant of Wellworth Hotels & Lodges Limited hereby acknowledges my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December, 2022 have been prepared in compliance with the International Financial Reporting Standard for Small and Medium-size Entities and statutory requirements.

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



**CPA-Julian J. Mutunzi**  
**Independent Reviewer**

04/12/23 .  
**Date**

**NBAA Membership No. ACPA 2283**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

Independent Auditors report to the members of M/S WELLWORTH HOTELS & LODGES LIMITED

For the year ended 31<sup>st</sup> December, 2022

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**Report on the financial statements**

We have reviewed the accompanying financial statements of M/S WELLWORTH HOTELS & LODGES LIMITED base on information you have provide. These financial statements comprise the statement of financial position as at 31<sup>st</sup> December, 2022, statement of comprehensive income, statement of changes in equity, and cash flows for the year then ended, and a summary of significant accounting and other explanatory information.

**Management's responsibility for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the Tanzania Companies Act 2002, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors, responsibility**

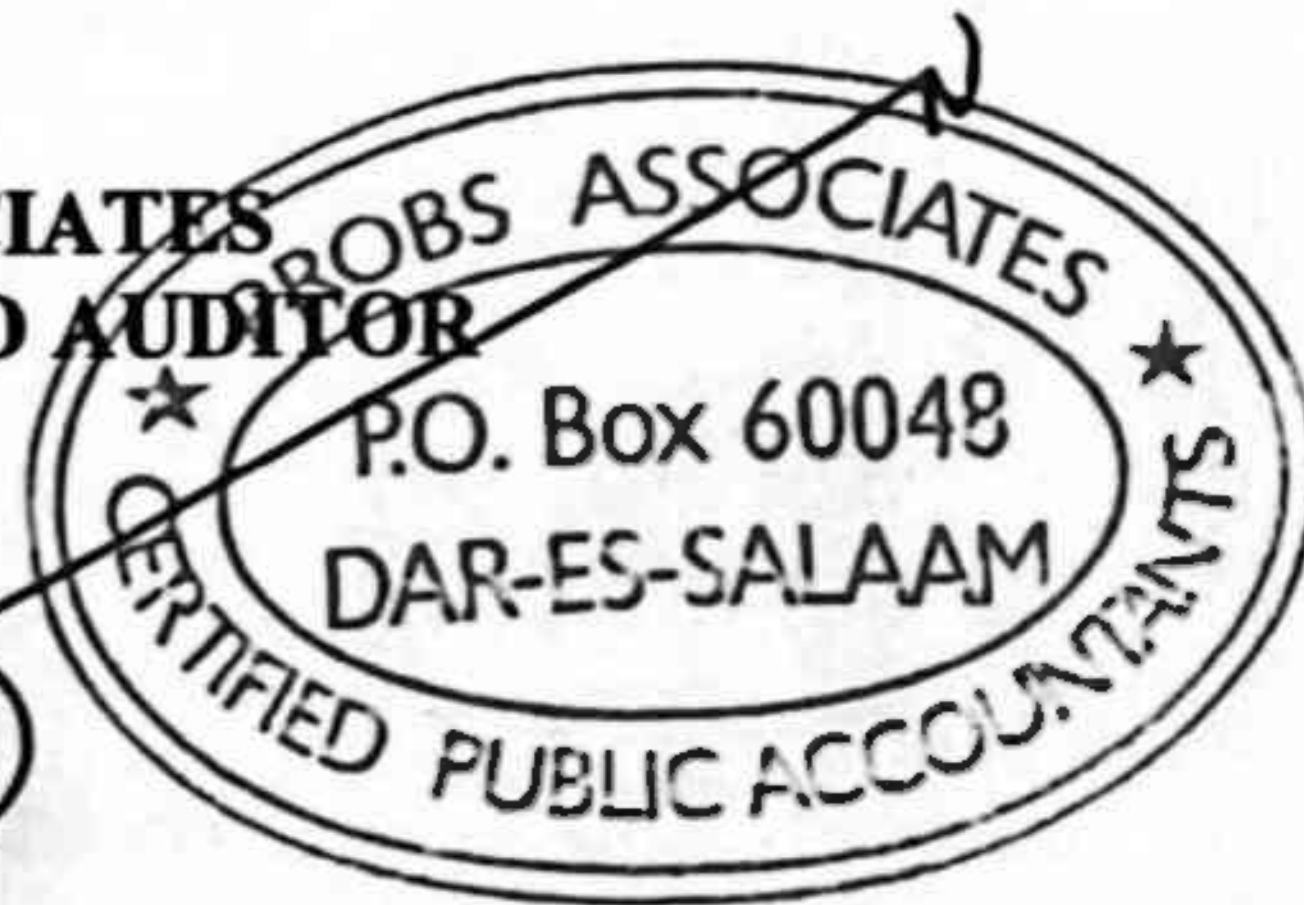
Our responsibility is to express an independent opinion on these financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and reform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

**Opinions**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements, do not give a true and fair view of the financial position of the company as of 31<sup>st</sup> December, 2022 and of the results, its operations and its cash flows for the year then ended.

FOR PROBS ASSOCIATES  
ACCOUNTANT AND AUDITOR

  
**ALLEN RICHARD**  
(ACPA 2067)



04/12/23.  
Date

Place: Dar es Salaam

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022**

	<u>NOTES</u>	<u>2022</u> <u>T.SHS</u>	<u>2021</u> <u>T.SHS</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property ,Plant & Equipment	4	10,036,725,410 ✓	10,305,945,249
Investment	9	9,136,739,203 ✓	9,136,739,203
		<u>19,173,464,612</u>	<u>19,442,684,451</u>
<b>Current Assets</b>			
Inventory	5	-	-
Taxation		136,652,288 ✓	136,652,288
Trade & Other Receivables	6	3,283,249,994 ✓	3,383,330,097
Cash & Cash Equivalents	7	165,505,672 ✓	110,086,037
Fixed Deposit		1,389,284,355 ✓	1,383,321,762
		<u>4,974,692,309</u>	<u>5,013,390,183</u>
<b>Total Assets</b>		<u><u>24,148,156,922</u></u>	<u><u>24,456,074,635</u></u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Share Capital	10	18,778,400,000	18,778,400,000
Retained Earnings		(4,616,548,279) ✓	(4,153,724,886)
		<u>14,161,851,721</u>	<u>14,624,675,114</u>
<b>Current Liabilities</b>			
Trade & Other Payables	11	3,246,734,358	3,091,828,677
		<u>3,246,734,358</u>	<u>3,091,828,677</u>
<b>Longterm Liabilities:</b>			
Longterm Loan	12	6,739,570,843 ✓	6,739,570,843
		<u>6,739,570,843</u>	<u>6,739,570,843</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>24,148,156,922</u></u>	<u><u>24,456,074,635</u></u>

Sign  
  
\_\_\_\_\_  
DIRECTOR



**WELLWORTH HOTELS & LODGES LIMITED**

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

	<u>NOTES</u>	<u>2022</u> <u>T.SHS.</u>	<u>2021</u> <u>T.SHS.</u>
Revenue		-	2,085,600
Interest Received		-	19,854,003
		<hr/>	<hr/>
		-	21,939,603
<b><u>Operating Expenses</u></b>			
Administrative Cost	14	298,708,121	906,016,987
Finance Cost	15	1,188,814	2,943,529
Employment Cost	16	168,907,890	313,307,712
		<hr/>	<hr/>
		468,804,826	1,222,268,229
Net Profit/(loss) Before Tax		<hr/>	<hr/>
		(468,804,826)	(1,200,328,625)
ADD: Exchange Gain/(Loss)		5,981,432	876,635
ADD: Exchange Gain/(Loss) Prior year		-	-
		<hr/>	<hr/>
		(462,823,394)	(1,199,451,990)
ADD: Balance brought forward		(4,153,724,886)	(2,954,272,895)
		<hr/>	<hr/>
		(4,616,548,279)	(4,153,724,886)
LESS: Provisional Tax for prior Year		-	-
		<hr/>	<hr/>
		(4,616,548,279)	(4,153,724,886)
LESS: Provisional Tax for the Year		-	-
Retained Earnings		<hr/>	<hr/>
		(4,616,548,279)	(4,153,724,886)

**WELLWORTH HOTELS & LODGES LIMITED****STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 <u>T. SHS.</u>	2021 <u>T. SHS.</u>
<b><u>CASHFLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) for the year before Tax	(462,823,394)	(1,199,451,990)
<b><u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUND</u></b>		
Depreciation	<u>281,832,571</u>	<u>303,074,809</u>
<b>NET CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL</b>	(180,990,823)	(896,377,181)
<b><u>CHANGE IN WORKING CAPITAL ITEMS:</u></b>		
Decrease/(Increase) In Inventory	-	362,949,819
(Decrease)/increase in Trade & Other Payables	154,905,681	240,330,989
Decrease/ (Increase) in Trade & Other Receivables	100,080,103	-329,219,559
Fixed Deposit	<u>-5,962,594</u>	<u>704,678,238</u>
	<u>249,023,190</u>	<u>978,739,487</u>
TAX PAID FOR THE YEAR	-	-
TAX PAID FOR PRIOR YEAR	-	-
<b>NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	(12,612,732)	(3,402,886)
INVESTMENT	-	0
<b>NET CASH PROVIDED/(USED) IN INVESTMENT ACTIVITIES</b>	<u>(12,612,732)</u>	<u>(3,402,885)</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Long Term Loan	-	-
Increase in Share Capital	-	-
Shareholder Contribution	-	-
<b>NET CASH PROVIDED/(USED) IN FINANCIAL ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b><u>INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</u></b>		
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	55,419,636	78,959,420
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	110,086,398	31,126,978
<b>CASH &amp; CASH EQUIVALENT AT THE YEAR END</b>	<u><u>165,506,034</u></u>	<u><u>110,086,398</u></u>

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL T.SHS</b>
Balance as at 1.1.2022	18,778,400,000	(4,153,726,886)	14,624,673,114
Changes in accounting policy			
Changes in equity			
Restated balance	18,778,400,000	(4,153,726,886)	14,624,673,114
Profit/(Loss) for the period (net of taxes)		(462,823,394)	(462,823,394)
Balance as at 31.12.2022	18,778,400,000	(4,616,550,279)	14,161,849,721

## WELLWORTH HOTELS & LODGES LIMITED

### 1 General Information

Wellworth Hotels & Lodges Ltd (the Company) is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a private company limited by shares, and is domiciled in Tanzania. The principal place of business is Raha Tower, Upanga. The principal activities of the company is of Hotel and Lodges.

### 2 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (TShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The transition to IFRS for SMEs has no significant effect on the statement of financial position, statement of comprehensive income and accounting policies. Therefore figures have not been restated during this transition.

#### *Revenue recognition*

Revenue from sales of services is recognised when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added tax (VAT) collected on behalf of the government of Tanzania.

#### *Translation of foreign currencies*

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the statement of financial position date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in the statement of comprehensive income.

#### *Property, Plant & Equipment*

All categories of furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

Depreciation is calculated using the reducing line method. The the following are the depreciation annual rates:

	%
Furniture and equipment	12.5
Office Equipments	12.5
Car & Motor Vehicles	25
Computer & Printers	37.5
Land & Buildings	5.0

## WELLWORTH HOTELS & LODGES LIMITED

### 2 Basis of preparation and summary of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

#### *Intangible assets*

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the reducing line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

#### *Financial assets*

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

#### *Financial liabilities*

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

#### *Retirement benefit obligations*

The company and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year to which they relate.

#### *Income tax*

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax.

## WELLWORTH HOTELS & LODGES LIMITED

### 2 Basis of preparation and summary of significant accounting policies (continued)

#### Current income tax

The tax currently payable is based on taxable profit for the year, determined in accordance with the Tanzanian Income Tax Act.

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand, net of bank overdraft and demand deposits.

### 3 Key sources of estimation/uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain estimates and judgements that may affect the carrying values of assets and liabilities in the next financial period. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate such estimates and judgements at each financial reporting date to ensure that they are still believed to be reasonable under the prevailing circumstances based on the information available.

Critical accounting estimates and judgements made by the directors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

- i) **Income taxes:**  
Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.
- ii) **Impairment losses:**  
Estimates made in determining the impairment losses on financial assets and receivables. Such estimates include the determination of the net realisable value or the recoverable amount of the asset. Moreover, in determining whether an impairment loss should be recognised in the statement of comprehensive income for receivables or financial assets, judgement is made as to whether there is a measurable decrease in the estimated future cash flows of any receivable or financial asset.

**WELLWORTH HOTELS & LODGES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS.**

**4) Property, Plant & Equipment**

The Property, Plant & Equipment held by the company are initially recorded at cost. Depreciation is provided by using reducing balance method. A provision for impairment is established wherever there is an objective Indication that there has been a material impairment on that particular asset.

Applicable depreciation rate used are as follows:-

ITEM	BALANCE AS AT 1.1.2022	ADDITIONS	SUB TOTAL	DEPRECIAT	BALANCE AS AT 31.12.2022
CWIP- BUILDING	5,395,126,696	12,612,732	5,407,739,428		5,407,739,428
OFFICE EQUIPMENTS	7,809,330		7,809,330	976,166	6,833,163
FURNITURE & FITTINGS	293,327,508		293,327,508	36,665,939	256,661,570
KITCHEN EQUIPMENTS	3,031,298		3,031,298	378,912	2,652,386
LAND & BUILDING	4,457,771,939		4,457,771,939	222,888,597	4,234,883,342
MOTOR VEHICLES	13,006,000		13,006,000	3,251,500	9,754,500
PLANT & MACHINERY	133,122,889		133,122,889	16,640,361	116,482,527
COMPUTER & ACC	2,749,589		2,749,589	1,031,096	1,718,493
			-		
<b>TOTAL</b>	<b>10,305,945,249</b>	<b>12,612,732</b>	<b>10,318,557,981</b>	<b>281,832,571</b>	<b>10,036,725,410</b>

**5) Inventories**

Inventories are stated at the lower of cost and net realisable value. This is determined by the Proprietor.

The amount determined is Tshs

**6) Trade & Other Receivables**

Outstanding amounts from debtors are carried at invoice amount less provision for impairment.

A provision for impairment is established where there is an objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables.

The amount of provision is the difference between the carrying amount and the receivable amount.

		2022 T.SHS.	2021 T.SHS.
Vat		22,473,045	19,066,711
Due from Associated	13 iii)	3,080,755,416	3,222,425,416
Trade Receivables		180,021,533	141,837,970
		<u>3,283,249,994</u>	<u>3,383,330,097</u>

**7) Cash & Cash Equivalent**

Cash In Hand		148,031,813	100,101,813
Cash at Bank		17,473,860	9,984,224
		<u>165,505,672</u>	<u>110,086,037</u>

**8) Pre-Operational Costs**

Balance Brought Forward		-	-
20% Amortised thereon		-	-
Balance Carried Forward		<u>-</u>	<u>-</u>

**9) Investments**

Investments		<u>9,136,739,203</u>	<u>9,136,739,203</u>
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**WELLWORTH HOTELS & LODGES LIMITED**

	<b>2022</b>	<b>2021</b>
	<b><u>T.SHS.</u></b>	<b><u>T.SHS</u></b>
<b>10) Capital &amp; Liabilities</b>		
<b>Capital Account</b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
<b><u>ISSUED &amp; FULLY PAID UP CAPITAL</u></b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
Share Application Money	3,778,400,000	3,778,400,000
	<u>18,778,400,000</u>	<u>18,778,400,000</u>
<b>11) Trade &amp; Other Payables</b>		
Trade & Other Payables include:-		
Accrued charges	17,339,950	29,507,138
Due to Associated 13 ii)	1,725,992,723	1,544,562,723
Trade Payables	1,503,401,685 ✓	1,517,758,816
	<u>3,246,734,358</u>	<u>3,091,828,677</u>
<b>12) Long Term Loan</b>		
BOA Bank Loan	-	-
Loan from associates 13 i)	728,570,000	728,570,000
Long Term Loan	6,011,000,843	6,011,000,843
	<u>6,739,570,843</u>	<u>6,739,570,843</u>
<b>13) Related Party Transactions</b>		
<b><u>i) Amounts due to associates : Non Current Liabilities</u></b>		
Zainab Gulam Hussein	<u>728,570,000</u>	<u>728,570,000</u>
<b><u>ii) Amount due to associates : Current Liabilities</u></b>		
Esmail Properties Limited	223,990,400	220,990,400
Ngorngoro Lake Masek Lodge Ltd	339,540,677	388,470,677
Hardware Africa Limited	1,162,461,646	935,101,646
	<u>1,725,992,723</u>	<u>1,544,562,723</u>
<b><u>iii) Amount due from associates</u></b>		
Kurbal	14,188,723	14,188,723
Lake Mnayara Kilimamoja Lodge Ltd	927,043,231	1,043,673,231
LeatherLAnd Ltd	-	-
Kunduchi Water Parks Ltd	413,699,207	675,199,207
Wellworth Hotels & Lodges Company Limited- ZNZ	(260,686,653)	(269,086,653)
Oldeani Ngorongoro Mountain Lodge Ltd	1,986,510,908	1,758,450,908
	<u>3,080,755,416</u>	<u>3,222,425,416</u>

**WELLWORTH HOTELS & LODGES LIMITED**

	2022 <u>T.SHS.</u>	2021 <u>T.SHS.</u>
<b><u>14) Administrative Cost</u></b>		
Accountancy Fees	2,000,000 ✓	3,500,000
Depreciation	281,832,571 ✓	303,074,809
Electricity & Water	3,268,804	61,250,945
Fines & Penalties	-	334,039
School Fees	-	124,243,888
Insurance	1,100,000	2,300,000
Internet Charges	401,996	17,623,784
Land Rent	3,934,350 ✓	4,372,685
Legal Expenses	-	4,097,500
License & Other Related Costs	-	150,000
Office Expenses	-	4,041,767
Office Rent	5,990,400 ✓	9,585,144
Printing & Stationery	-	120,000
Purchase of Materials	-	365,101,396
Repair & Maintenance	132,000 ✓	1,080,882
Travelling & Transport Charges	48,000 ✓	1,709,717
Vehicle Maintenance & Running Charges	-	3,430,431
	<u>298,708,121</u>	<u>906,016,987</u>
<b><u>15) Finance Cost</u></b>		
Bank Charges & Interest	<u>1,188,814</u>	<u>2,943,529</u>
<b><u>16) Employment Cost</u></b>		
Medical Expenses	25,000	48,081,477
Directors Remuneration	-	30,160,000
NSSF/PPF/LAPF Contribution	14,623,089	17,521,301
Salaries & Wages	145,922,562 ✓	175,213,008
Skills & Development Levy	5,449,239	7,017,946
Staff Accommodation & Welfare	-	22,216,000
Staff Uniform	-	156,780
Valuation, Visa & Permit Fees	2,888,000	12,941,200
Workers Compensation Fund	<u>168,907,890</u> ✓	<u>313,307,712</u>
<b><u>17) Material Cost</u></b>		
Opening Inventory	-	362,949,819
<u>Add: Purchases</u>	<u>-</u>	<u>2,151,577</u>
Cost of goods available for Sale	-	365,101,396
<u>Less: Closing Inventory</u>	<u>-</u>	<u>-</u>
Cost of goods Sold	<u>-</u>	<u>365,101,396</u>

**WELLWORTH HOTELS & LODGES LIMITED**

**INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2022**  
**ACCOUNTING TO 31ST DECEMBER 2022**

		<u>T.SHS.</u>
Profit/(Loss) as per Accounts		(462,823,394)
<u>ADD BACK:</u> Depreciation	281,832,571	
Donation	-	<u>281,832,571</u>
		<u>(180,990,823)</u>
<u>LESS:</u> Depreciation Allowance		<u>281,832,571</u>
<b>ADJUSTED TAXABLE PROFIT</b>		<b><u>(462,823,394)</u></b>
Corporation Tax 30% on T.Shs.	(462,823,394)	<u>-</u>

**POSITION OF TAXATION**

Balance brought forward	136,652,288
<u>LESS:</u> Corporate Tax as above	-
	<u>136,652,288</u>
<u>ADD:</u> Provisional Tax paid for the Year	-
Withholding tax paid during the year	-
Tax recoverable	<u>136,652,288</u>

**DEPRECIATION ALLOWANCE AS PER 3RD SCHEDULE**

	<u>CLASS VI</u>	<u>CLASS III</u>	<u>CLASS II</u>	<u>CLASS I</u>	<u>TOTAL</u>
	<u>5.00%</u>	<u>12.50%</u>	<u>25.00%</u>	<u>37.50%</u>	<u>T.SHS.</u>
W.D.V as at 1.1.2022	4,457,771,939	437,291,025	13,006,000	2,749,589	4,910,818,553
<u>ADD:</u> Additions / (Disposal)	-	-	-	-	-
	<u>4,457,771,939</u>	<u>437,291,025</u>	<u>13,006,000</u>	<u>2,749,589</u>	<u>4,910,818,553</u>
<u>LESS:</u> Annual Allowance	222,888,597	54,661,378	3,251,500	1,031,096	281,832,571
W.D.V as at 31.12.2022	<u>4,234,883,342</u>	<u>382,629,647</u>	<u>9,754,500</u>	<u>1,718,493</u>	<u>4,628,985,982</u>

# **ANNUAL ACCOUNTS**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

**P. O. BOX 361**

**DAR ES SALAAM**

**FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2023**

**PROBS ASSOCIATES**

**CERTIFIED PUBLIC ACCOUNTANTS AUDITORS**

**P.O.BOX 20475, DAR ES SALAAM, TANZANIA**

**TEL MOB: +255 0786 733892**

**M/S WELWORTH HOTELS & LODGES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2023**

State of Karnataka, India

Notice to the Financial Statements

This document contains information that is not for a part of the financial statements.

INDEPENDENT

APPENDIX

**M/S WELWORTH HOTELS & LODGES LIMITED**

Annual report and financial statements

For the year ended 31<sup>st</sup> December, 2023

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The following information does not form part of the financial statements:

Tax computation	Appendix 1
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**M/S WELLWORTH HOTELS & LODGES LIMITED**

Company information's

For the year ended 31<sup>st</sup> December, 2023

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<b>Board of the director</b>	<b>Names</b>	<b>Nationality</b>
	Mr. Gulam Hussein Ismail	Tanzanian
	Mr. Zainab Gulam Ismail	Tanzanian

Registered Office  
Raha tower, Plot no. 34, 4th Floor  
Titi / Maktaba  
Ilala, Dar es Salaam  
Tanzania

Independent Accountant  
Probs Associates  
Accountant and Auditor  
Morogoro road plot no. 2423 block 208  
P.O Box 20475  
Dar es Salaam  
Tanzania

## **M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of Directors

For the year ended 31<sup>st</sup> December, 2023

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The directors submit their annual report together with the financial statements for the year ended 31<sup>st</sup> December, 2021 which discloses the state of affairs of the company.

### **Incorporation**

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzania Companies Act 2002. The address of the registered office is set out on page 1.

### **Principal activities**

The Principal activity of the company is selling of hotels and lodges.

### **Result of dividends**

The Loss for the year was T.shs. 39,999,786/= has been transferred to accumulated profit/losses. The directors do not recommend the declaration of a dividend for the year.

### **Capital structure and cash flows**

The capital structure of the company is outlined in Note: 9

### **Financial risk management objectives and polices**

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programmed focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

### **Employee's welfare**

The company's employment terms are reviewed annually to insure that they meet statutory and market condition.

**M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of directors

For the year ended 31<sup>st</sup> December, 2023

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**Related Party Transactions**

Transactions with related parties during the year were in normal course of business.

**Disabled Persons**

It remains the company's policy to accept disabled persons for employments for those vacancies that they are able to fill.

**Directorate**

The directors who held office during the year and the date of this report are set out on page no.1

**Auditor**

M/S Probs Associates have indicated their willingness to continue in office in accordance with the Companies Act. A motion will be propose at the Annual Meeting that, they be re-appointed and their remuneration be fixed by the Directors.

BY ORDER OF THE BOARD

Mr. Gulam Hussein Ismail  
Managing Director

Dar es Salaam 28<sup>th</sup> June, 2024

## M/S WELLWORTH HOTELS & LODGES LIMITED

Statement of Directors responsibilities

For the year ended 31<sup>st</sup> December, 2023

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The Tanzania Companies Act 2002 requires the directors to prepare financial statements for the 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 profits or loss for the year. It also requires the director to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial positions of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statement that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements:
- ii) Selecting and applying appropriate accounting policies : and
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

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 as at 31<sup>st</sup> December, 2023 and of its profit and cash flows for the ear then indeed in accordance with the International Financial Report for Small and Medium-size entities and the requirements of the Tanzania Companies Act 2002

Approved by board of the director on 28<sup>th</sup> June, 2024 and signed on its behalf by

  
Mr. Gulam Hussein Ismail  
Managing Director

**M/S WELLWORTH HOTELS & LODGES LIMITED**

**Declaration of the Independent Accountant For the year ended 31<sup>st</sup> December 2023**

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The National Board of Accountant and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible of 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 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 statement rests with the Board of Directors Responsibility statement on an earlier page.

I, **Julian J. Mutunzi** being the Head of Financial/Accountant of Wellworth Hotels & Lodges Limited hereby acknowledges my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December, 2023 have been prepared in compliance with the International Financial Reporting Standard for Small and Medium-size Entities and statutory requirements.

I thus confirm that the financial statement give a true and fair view position of Wellworth Hotels & Lodges Limited as on that date and that they have been prepared based on properly maintained financial records.



**CPA-Julian J. Mutunzi**  
**Independent Reviewer**

28/06/24

**Date**

**NBAA Membership No. ACPA 2283**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

Independent Auditors report to the members of M/S WELLWORTH HOTELS & LODGES LIMITED

For the year ended 31<sup>st</sup> December, 2023

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**Report on the financial statements**

We have reviewed the accompanying financial statements of M/S WELLWORTH HOTELS & LODGES LIMITED base on information you have provide. These financial statements comprise the statement of financial position as at 31<sup>st</sup> December, 2023, statement of comprehensive income, statement of changes in equity, and cash flows for the year then ended, and a summary of significant accounting and other explanatory information.

**Management's responsibility for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the Tanzania Companies Act 2002, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors, responsibility**

Our responsibility is to express an independent opinion on these financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and reform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

**Opinions**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements, do not give a true and fair view of the financial position of the company as of 31<sup>st</sup> December, 2023 and of the results, its operations and its cash flows for the year then ended.

FOR PROBS ASSOCIATES  
ACCOUNTANT AND ASSOCIATES  
P.O. Box 60048  
DAR-ES-SALAAM  
ALLEN RICHARD  
(ACPA 2067)  
PUBLIC ACCOUNTANTS

28/06/24

Date

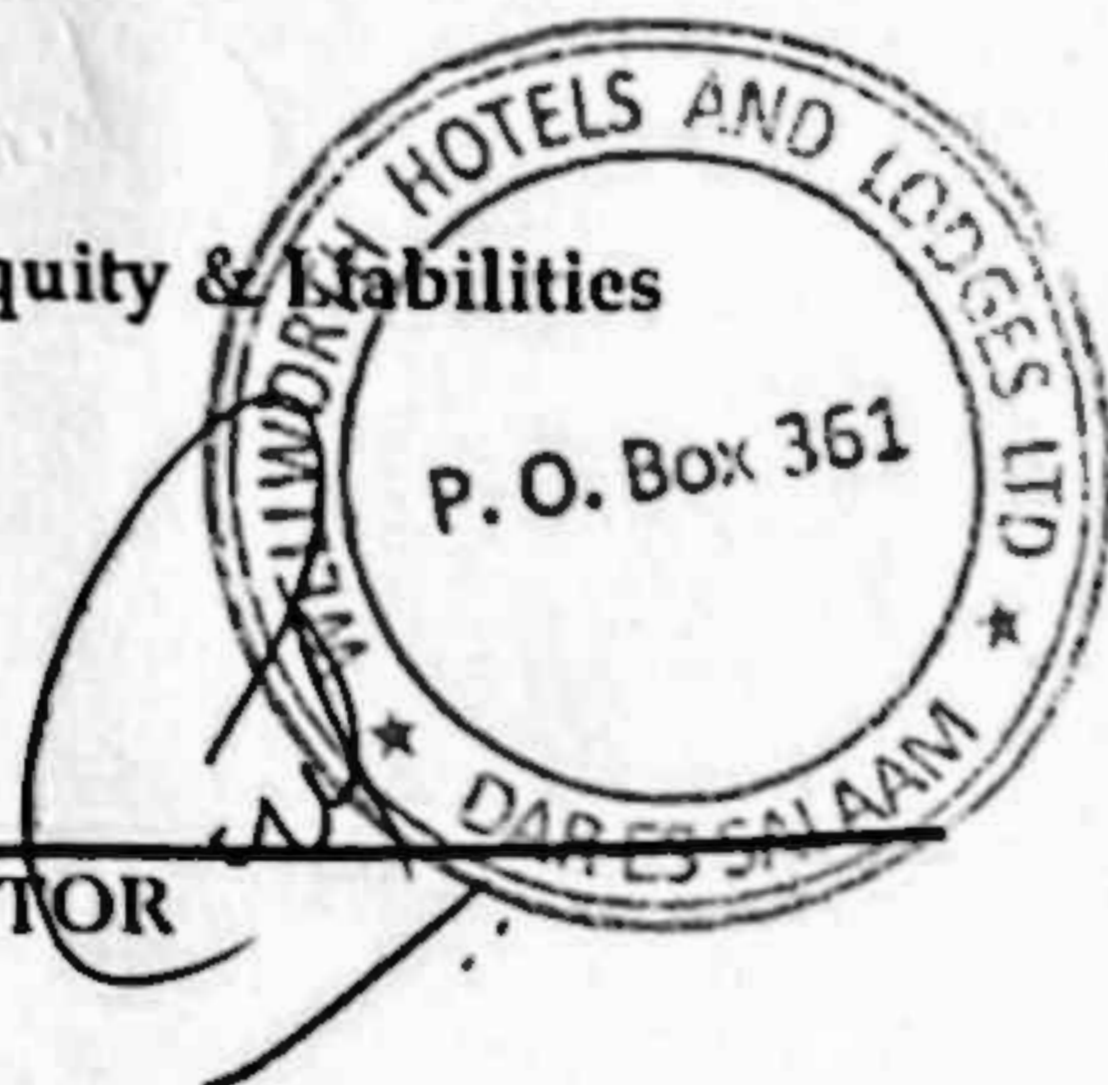
Place: Dar es Salaam

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023**

	<u>NOTES</u>	<u>2023</u> <u>T.SHS</u>	<u>2022</u> <u>T.SHS</u>
<b><u>ASSETS</u></b>			
<b><u>Non-current Assets</u></b>			
Property ,Plant & Equipment	4	10,732,173,982	10,036,725,410
Investment	9	9,136,739,203	9,136,739,203
		<u>19,868,913,185</u>	<u>19,173,464,613</u>
<b><u>Current Assets</u></b>			
Inventory	5	-	-
Taxation		151,628,846	136,652,288
Trade & Other Receivables	6	2,279,478,859	3,283,249,994
Cash & Cash Equivalents	7	162,573,716	165,505,672
Fixed Deposit		1,530,000,000	1,389,284,355
		<u>4,123,681,420</u>	<u>4,974,692,309</u>
<b>Total Assets</b>		<u><u>23,992,594,606</u></u>	<u><u>24,148,156,922</u></u>
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>Capital &amp; Reserves</u></b>			
Share Capital	10	18,778,400,000	18,778,400,000
Retained Earnings		(4,656,548,065)	(4,616,550,279)
		<u>14,121,851,935</u>	<u>14,161,849,721</u>
<b><u>Current Liabilities</u></b>			
Trade & Other Payables	11	3,131,171,827	3,246,736,358
		<u>3,131,171,827</u>	<u>3,246,736,358</u>
<b><u>Longterm Liabilities:</u></b>			
Longterm Loan	12	6,739,570,843	6,739,570,843
		<u>6,739,570,843</u>	<u>6,739,570,843</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>23,992,594,606</u></u>	<u><u>24,148,156,922</u></u>

DIRECTOR



**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED, 31ST DECEMBER 2023**

	<u>NOTES</u>	<u>2023</u> <u>T.SHS.</u>	<u>2022</u> <u>T.SHS.</u>
Revenue		-	
Interest Received		<u>158,484,960</u>	<u>-</u>
		158,484,960	
<b><u>Operating Expenses</u></b>			
Administrative Cost	14	306,382,229	298,708,121
Finance Cost	15	4,066,365	1,188,814
Employment Cost	16	<u>27,395,000</u>	<u>168,907,890</u>
		<u>337,843,594</u>	<u>468,804,825</u>
Net Profit/(loss) Before Tax		<u>(179,358,634)</u>	<u>(468,804,825)</u>
ADD: Exchange Gain/(Loss)		139,358,849	5,981,432
ADD: Exchange Gain/(Loss) Prior year		<u>(39,999,786)</u>	<u>(462,823,393)</u>
		<u>(4,616,548,279)</u>	<u>(4,153,724,886)</u>
ADD: Balance brought forward		<u>(4,656,548,065)</u>	<u>(4,616,548,279)</u>
		-	-
LESS: Provisional Tax for prior Year		<u>(4,656,548,065)</u>	<u>(4,616,548,279)</u>
		-	-
LESS: Provisional Tax for the Year		<u>(4,656,548,065)</u>	<u>(4,616,548,279)</u>
Retained Earnings		<u><u>(4,656,548,065)</u></u>	<u><u>(4,616,548,279)</u></u>

**WELLWORTH HOTELS & LODGES LIMITED****STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 <u>T. SHS.</u>	2022 <u>T. SHS.</u>
<b><u>CASHFLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) for the year before Tax	(39,999,786)	(462,823,394)
<b><u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUND</u></b>		
Depreciation	<u>262,655,933</u>	<u>281,832,571</u>
<b>NET CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL</b>	222,656,147	(180,990,823)
<b><u>CHANGE IN WORKING CAPITAL ITEMS:</u></b>		
Decrease/(Increase) In Inventory	-	
(Decrease)/increase in Trade & Other Payables	(115,562,531)	154,905,681
Decrease/ (Increase) in Trade & Other Receivables	1,003,771,135	100,080,103
Fixed Deposit	<u>-140,715,645</u>	<u>-5,962,594</u>
	747,492,959	249,023,190
<b>TAX PAID FOR THE YEAR</b>	14,976,558	-
<b>TAX PAID FOR PRIOR YEAR</b>		
<b>NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>	<u><u>14,976,558</u></u>	<u><u>-</u></u>
<b><u>INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	(958,104,506)	(12,612,732)
INVESTMENT	(0)	0
<b>NET CASH PROVIDED/(USED) IN INVESTMENT ACTIVITIES</b>	<u><u>(958,104,506)</u></u>	<u><u>(12,612,732)</u></u>
<b><u>FINANCING ACTIVITIES</u></b>		
Long Term Loan	-	-
Increase in Share Capital	-	-
Shareholder Contribution		
<b>NET CASH PROVIDED/(USED) IN FINANCIAL ACTIVITIES</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b><u>INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</u></b>		
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	(2,931,957)	55,419,636
<b>CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<u>165,506,034</u>	<u>110,086,398</u>
<b>CASH &amp; CASH EQUIVALENT AT THE YEAR END</b>	<u><u>162,574,077</u></u>	<u><u>165,506,034</u></u>

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL T.SHS
Balance as at 1.1.2023	18,778,400,000	(4,616,550,279)	14,161,849,721
Changes in accounting policy			
Changes in equity			
Restated balance	18,778,400,000	(4,616,550,279)	14,161,849,721
Profit/(Loss) for the period (net of taxes)		(39,999,786)	(39,999,786)
Balance as at 31.12.2023	18,778,400,000	(4,656,550,065)	14,121,849,935

## WELLWORTH HOTELS & LODGES LIMITED

### **1 General Information**

Wellworth Hotels & Lodges Ltd (the Company) is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a private company limited by shares, and is domiciled in Tanzania. The principal place of business is Raha Tower, Upanga. The principal activities of the company is of Hotel and Lodges.

### **2 Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (TShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The transition to IFRS for SMEs has no significant effect on the statement of financial position, statement of comprehensive income and accounting policies. Therefore figures have not been restated during this transition.

#### *Revenue recognition*

Revenue from sales of services is recognised when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added tax (VAT) collected on behalf of the government of Tanzania.

#### *Translation of foreign currencies*

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the statement of financial position date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in the statement of comprehensive income.

#### *Property, Plant & Equipment*

All categories of furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

Depreciation is calculated using the reducing line method. The the following are the depreciation annual rates:

	%
Furniture and equipment	12.5
Office Equipments	12.5
Car & Motor Vehicles	25
Computer & Printers	37.5
Land & Buildings	5.0

## WELLWORTH HOTELS & LODGES LIMITED

### 2 Basis of preparation and summary of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

#### *Intangible assets*

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the reducing line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

#### *Financial assets*

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

#### *Financial liabilities*

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

#### *Retirement benefit obligations*

The company and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year to which they relate.

#### *Income tax*

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax.

## WELLWORTH HOTELS & LODGES LIMITED

### 2 Basis of preparation and summary of significant accounting policies (continued)

#### Current income tax

The tax currently payable is based on taxable profit for the year, determined in accordance with the Tanzanian Income Tax Act.

#### *Cash and cash equivalents*

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand, net of bank overdraft and demand deposits.

### 3 Key sources of estimation/uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain estimates and judgements that may affect the carrying values of assets and liabilities in the next financial period. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate such estimates and judgements at each financial reporting date to ensure that they are still believed to be reasonable under the prevailing circumstances based on the information available.

Critical accounting estimates and judgements made by the directors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

**i) Income taxes:**

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

**ii) Impairment losses:**

Estimates made in determining the impairment losses on financial assets and receivables. Such estimates include the determination of the net realisable value or the recoverable amount of the asset. Moreover, in determining whether an impairment loss should be recognised in the statement of comprehensive income for receivables or financial assets, judgement is made as to whether there is a measurable decrease in the estimated future cash flows of any receivable or financial asset.

**WELLWORTH HOTELS & LODGES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS.**

**4) Property, Plant & Equipment**

The Property, Plant & Equipment held by the company are initially recorded at cost. Depreciation is provided by using reducing balance method. A provision for impairment is established wherever there is an objective indication that there has been a material impairment on that particular asset.

Applicable depreciation rate used are as follows:-

ITEM	BALANCE AS AT 1.1.2023	ADDITIONS	SUB TOTAL	DEPRECIAT	BALANCE AS AT 31.12.2023
CWIP- BUILDING	5,407,739,428	958,104,506	6,365,843,933		6,365,843,933
OFFICE EQUIPMENTS	6,833,163		6,833,163	854,145	5,979,018
FURNITURE & FITTINGS	256,661,570		256,661,570	32,082,696	224,578,873
KITCHEN EQUIPMENTS	2,652,386		2,652,386	331,548	2,320,838
LAND & BUILDING	4,234,883,342		4,234,883,342	211,744,167	4,023,139,175
MOTOR VEHICLES	9,754,500		9,754,500	2,438,625	7,315,875
PLANT & MACHINERY	116,482,527		116,482,527	14,560,316	101,922,212
COMPUTER & ACC	1,718,493		1,718,493	644,435	1,074,058
			-		
<b>TOTAL</b>	<b>10,036,725,410</b>	<b>958,104,506</b>	<b>10,994,829,915</b>	<b>262,655,933</b>	<b>10,732,173,982</b>

**5) Inventories**

Inventories are stated at the lower of cost and net realisable value. This is determined by the Proprietor. The amount determined is Tshs

**6) Trade & Other Receivables**

Outstanding amounts from debtors are carried at invoice amount less provision for impairment. A provision for impairment is established where there is an objective evidence that the company will not be able to collect all amounts due accordingly to the terms of the receivables.

The amount of provision is the difference between the carrying amount and the receivable amount.

		2023 T.SHS.	2022 T.SHS.
Vat		107,575,184	22,473,045
Due from Associated	13 iii)	2,145,181,015	3,080,755,416
Trade Receivables		26,722,660	180,021,533
		<u>2,279,478,859</u>	<u>3,283,249,994</u>

**7) Cash & Cash Equivalent**

Cash In Hand		17,923,298	148,031,813
Cash at Bank		144,650,418	17,473,860
		<u>162,573,716</u>	<u>110,086,037</u>

**8) Pre-Operational Costs**

Balance Brought Forward		-	-
20% Amortised thereon		-	-
Balance Carried Forward		<u>-</u>	<u>-</u>

**9) Investments**

Investments		<u>9,136,739,203</u>	<u>9,136,739,203</u>
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**WELLWORTH HOTELS & LODGES LIMITED**

	<b>2023</b>	<b>2022</b>
	<b><u>T.SHS.</u></b>	<b><u>T.SHS</u></b>
<b>10) Capital &amp; Liabilities</b>		
<b>Capital Account</b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
<b><u>ISSUED &amp; FULLY PAID UP CAPITAL</u></b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
Share Application Money	3,778,400,000	3,778,400,000
	<u>18,778,400,000</u>	<u>18,778,400,000</u>
<b>11) Trade &amp; Other Payables</b>		
Trade & Other Payables include:-		
Accrued charges	8,644,477	17,339,950
Due to Associated 13 ii)	1,725,992,723	1,725,992,723
Trade Payables	1,396,534,628	1,503,401,685
	<u>3,131,171,827</u>	<u>3,246,734,358</u>
<b>12) Long Term Loan</b>		
BOA Bank Loan	-	-
Loan from associates 13 i)	728,570,000	728,570,000
Long Term Loan	6,011,000,843	6,011,000,843
	<u>6,739,570,843</u>	<u>6,739,570,843</u>
<b>13) Related Party Transactions</b>		
<b><u>i) Amounts due to associates : Non Current Liabilities</u></b>		
Zainab Gulam Hussein	<u>728,570,000</u>	<u>728,570,000</u>
<b><u>ii) Amount due to associates : Current Liabilities</u></b>		
Esmail Properties Limited	223,990,400	223,990,400
Ngorngoro Lake Masek Lodge Ltd	339,540,677	339,540,677
Hardware Africa Limited	1,162,461,646	1,162,461,646
	<u>1,725,992,723</u>	<u>1,725,992,723</u>
<b><u>iii) Amount due from associates</u></b>		
Kurbal	14,188,723	14,188,723
Lake Mnayara Kilimamoja Lodge Ltd	115,535,631	927,043,231
LeatherLAnd Ltd		
Kunduchi Water Parks Ltd	404,632,405	413,699,207
Wellworth Hotels & Lodges Company Limited- ZNZ	(260,686,653)	(260,686,653)
Oldeani Ngorongoro Mountain Lodge Ltd	1,871,510,908	1,986,510,908
	<u>2,145,181,015</u>	<u>3,080,755,416</u>

**WELLWORTH HOTELS & LODGES LIMITED**

	2023 T.SHS.	2022 T.SHS.
<b>14) Administrative Cost</b>		
Accountancy Fees	4,875,000	2,000,000
Advertisement & Exhibitions Expenses	-	-
City Service Levy	-	-
Computer Maintenance	-	-
Depreciation	262,655,933	281,832,571
Electricity & Water	3,305,384	3,268,804
Fines & Penalties	-	-
School Fees	-	-
Generator Maintenance & Running Exp	-	-
Insurance	29,959,552	1,100,000
Internet Charges	-	401,996
Land Rent / Osha Fees	1,080,000	3,934,350
Legal Expenses	2,000,000	-
License & Other Related Costs	-	-
Office Expenses	-	-
Office Rent	-	5,990,400
Printing & Stationery	555,932	-
Professional Fees	-	-
Purchase of Materials	-	-
Repair & Maintenance	-	132,000
Security Charges	-	-
TALA License	-	-
Travelling & Transport Charges	-	48,000
Telephone & Postage	-	-
Vehicle Maintenance & Running Charges	1,950,428	-
	<u>306,382,229</u>	<u>298,708,121</u>
<b>15) Finance Cost</b>		
Bank Charges & Interest	<u>4,066,365</u>	<u>1,188,814</u>
<b>16) Employment Cost</b>		
Medical Expenses	14,000	25,000
Directors Remuneration	-	-
NSSF/PPF/LAPF Contribution	2,400,000	14,623,089
Salaries & Wages	24,000,000	145,922,562
Skills & Development Levy	-	5,449,239
Staff Accomodation & Welfare	-	-
Staff Uniform	981,000	-
Valuation, Visa & Permit Fees	-	2,888,000
Workers Compensation Fund	-	-
	<u>27,395,000</u>	<u>168,907,890</u>
<b>17) Material Cost</b>		
Opening Inventory	-	-
Add: Purchases	-	-
Cost of goods available for Sale	-	-
Less: Closing Inventory	-	-
Cost of goods Sold	-	-

**WELLWORTH HOTELS & LODGES LIMITED**

**INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2022  
ACCOUNTING TO 31ST DECEMBER 2023**

		<u>T.SHS.</u>
Profit/(Loss) as per Accounts		(39,999,786)
<b>ADD BACK:</b> Depreciation	262,655,933	
Donation	-	262,655,933
		<u>222,656,147</u>
<b>LESS:</b> Depreciation Allowance		262,655,933
<b>ADJUSTED TAXABLE PROFIT</b>		<u><u>(39,999,786)</u></u>
Corporation Tax 30% on T.Shs.	(39,999,786)	<u><u>-</u></u>

**POSITION OF TAXATION**

Balance brought forward	136,652,288
<b>LESS:</b> Corporate Tax as above	<u>-</u>
	136,652,288
<b>ADD:</b> Provisional Tax paid for the Year	-
Withholding tax paid during the year	14,976,558
Tax recoverable	<u><u>151,628,846</u></u>

**DEPRECIATION ALLOWANCE AS PER 3RD SCHEDULE**

	CLASS VI 5.00%	CLASS III 12.50%	CLASS II 25.00%	CLASS I 37.50%	TOTAL T.SHS.
W.D.V as at 1.1.2023	4,234,883,342	382,629,647	9,754,500	1,718,493	4,628,985,982
<b>ADD:</b> Additions / (Disposal)	-	-	-	-	-
	<u>4,234,883,342</u>	<u>382,629,647</u>	<u>9,754,500</u>	<u>1,718,493</u>	<u>4,628,985,982</u>
<b>LESS:</b> Annual Allowance	211,744,167	47,828,706	2,438,625	644,435	262,655,933
W.D.V as at 31.12.2023	<u><u>4,023,139,175</u></u>	<u><u>334,800,941</u></u>	<u><u>7,315,875</u></u>	<u><u>1,074,058</u></u>	<u><u>4,366,330,049</u></u>

# **ANNUAL ACCOUNTS**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

**P. O. BOX 361**

**DAR ES SALAAM**

**FINANCIAL STATEMENTS**

**FOR**

**THE YEAR ENDED**

**31<sup>ST</sup> DECEMBER 2024**

**PROBS ASSOCIATES**

**CERTIFIED PUBLIC ACCOUNTANTS AUDITORS**

**P.O.BOX 20475, DAR ES SALAAM, TANZANIA**

**TEL MOB: +255 0786 733892**

**M/S WELWORTH HOTELS & LODGES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2024**

**M/S WELWORTH HOTELS & LODGES LIMITED**  
Annual report and financial statements  
For the year ended 31<sup>st</sup> December, 2024

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Report of the independent Practitioner	5
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Financial statements:	
Statements of financial position	7
Statement of comprehensive income	8
Statement of cash flows	9
Statements of changes equity	10
Notes to these financial Statements	11-16

The following information does not form part of the financial statements:

Tax computation	Appendix 1
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## **M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of Directors

For the year ended 31<sup>st</sup> December, 2024

---

The directors submit their annual report together with the financial statements for the year ended 31<sup>st</sup> December, 2024 which discloses the state of affairs of the company.

### **Incorporation**

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzania Companies Act 2002. The address of the registered office is set out on page 1.

### **Principal activities**

The Principal activity of the company is selling of hotels and lodges.

### **Result of dividends**

The Loss for the year was T.shs. 170,273,766/= has been transferred to accumulated profit/losses. The directors do not recommend the declaration of a dividend for the year.

### **Capital structure and cash flows**

The capital structure of the company is outlined in Note: 9

### **Financial risk management objectives and polices**

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programmed focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

### **Employee's welfare**

The company's employment terms are reviewed annually to insure that they meet statutory and market condition.

# **M/S WELLWORTH HOTELS & LODGES LIMITED**

Report of directors

For the year ended 31<sup>st</sup> December, 2024

---

## **Related Party Transactions**

Transactions with related parties during the year were in normal course of business.

## **Disabled Persons**

It remains the company's policy to accept disabled persons for employments for those vacancies that they are able to fill.

## **Directorate**

The directors who held office during the year and the date of this report are set out on page no.1

## **Auditor**

M/S Probs Associates have indicated their willingness to continue in office in accordance with the Companies Act. A motion will be proposed at the Annual Meeting that, they be re-appointed and their remuneration be fixed by the Directors.

**BY ORDER OF THE BOARD**  
O. Box 361  
  
**Mr. Gulam Hussein Ismail**  
**Managing Director** DAR ES SALAAM



Dar es Salaam \_\_\_\_\_, 2025

## **M/S WELLWORTH HOTELS & LODGES LIMITED**

Statement of Directors responsibilities

For the year ended 31<sup>st</sup> December, 2024

---

The Tanzania Companies Act 2002 requires the directors to prepare financial statements for the 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 profits or loss for the year. It also requires the director to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial positions of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statement that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements:
- ii) Selecting and applying appropriate accounting policies : and
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

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 as at 31<sup>st</sup> December, 2024 and of its profit and cash flows for the ear then indeed in accordance with the International Financial Report for Small and Medium-size entities and the requirements of the Tanzania Companies Act 2002

Approved by board of the director on \_\_\_\_\_, 2025 and signed on its behalf by

  
**Mr. Gulam Hussein Ismail**  
**Managing Director**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

**Declaration of the Independent Accountant for the year ended 31<sup>st</sup> December 2024**

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The National Board of Accountant and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible of 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 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 statement rests with the Board of Directors Responsibility statement on an earlier page.

I, **Julian J. Mutunzi** being the Independent Reviewer of Wellworth Hotels & Lodges Limited hereby acknowledges my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December, 2024 have been prepared in compliance with the International Financial Reporting Standard for Small and Medium-size Entities and statutory requirements.

I thus confirm that the financial statement gives a true and fair view position of Wellworth Hotels & Lodges Limited as on that date and that they have been prepared based on properly maintained financial records.



\_\_\_\_\_  
**CPA-Julian J. Mutunzi**  
**Independent Reviewer**

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

**NBAA Membership No. ACPA 2283**

**M/S WELLWORTH HOTELS & LODGES LIMITED**

Independent Auditors report to the members of M/S WELLWORTH HOTELS & LODGES LIMITED

For the year ended 31<sup>st</sup> December, 2024

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**Report on the financial statements**

We have reviewed the accompanying financial statements of M/S WELLWORTH HOTELS & LODGES LIMITED base on information you have provide. These financial statements comprise the statement of financial position as at 31<sup>st</sup> December, 2024, statement of comprehensive income, statement of changes in equity, and cash flows for the year then ended, and a summary of significant accounting and other explanatory information.

**Management's responsibility for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the Tanzania Companies Act 2002, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

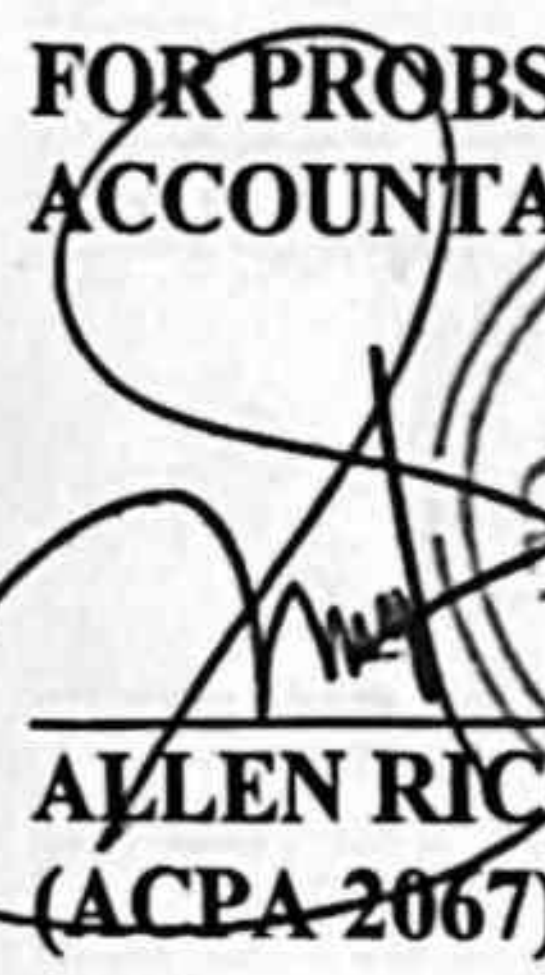
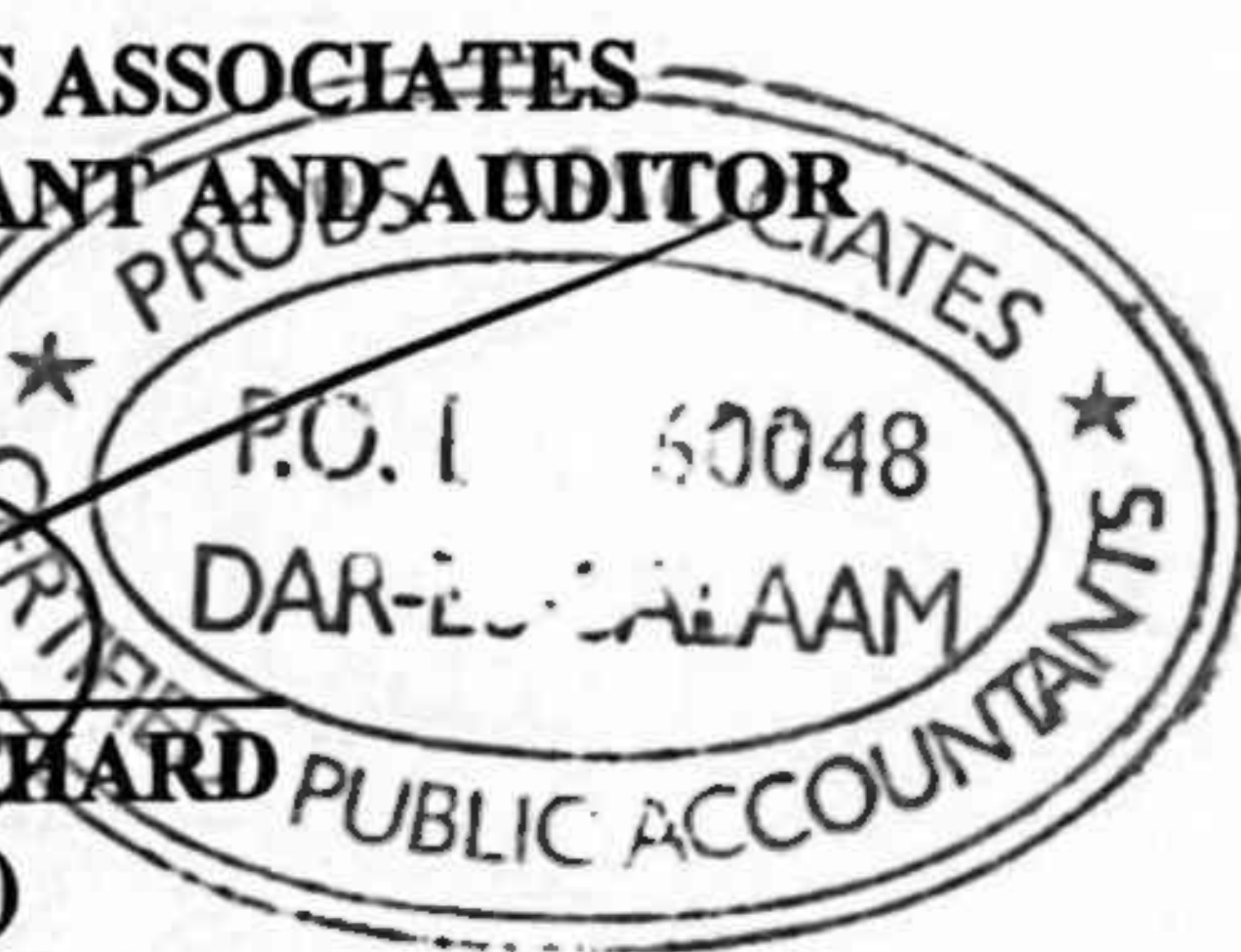
**Auditors, responsibility**

Our responsibility is to express an independent opinion on these financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and reform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

**Opinions**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements, do not give a true and fair view of the financial position of the company as of 31<sup>st</sup> December, 2024 and of the results, its operations and its cash flows for the year then ended.

**FOR PROBS ASSOCIATES  
ACCOUNTANT AND AUDITOR**

  
  
**ALLEN RICHARD  
(ACPA-2067)**

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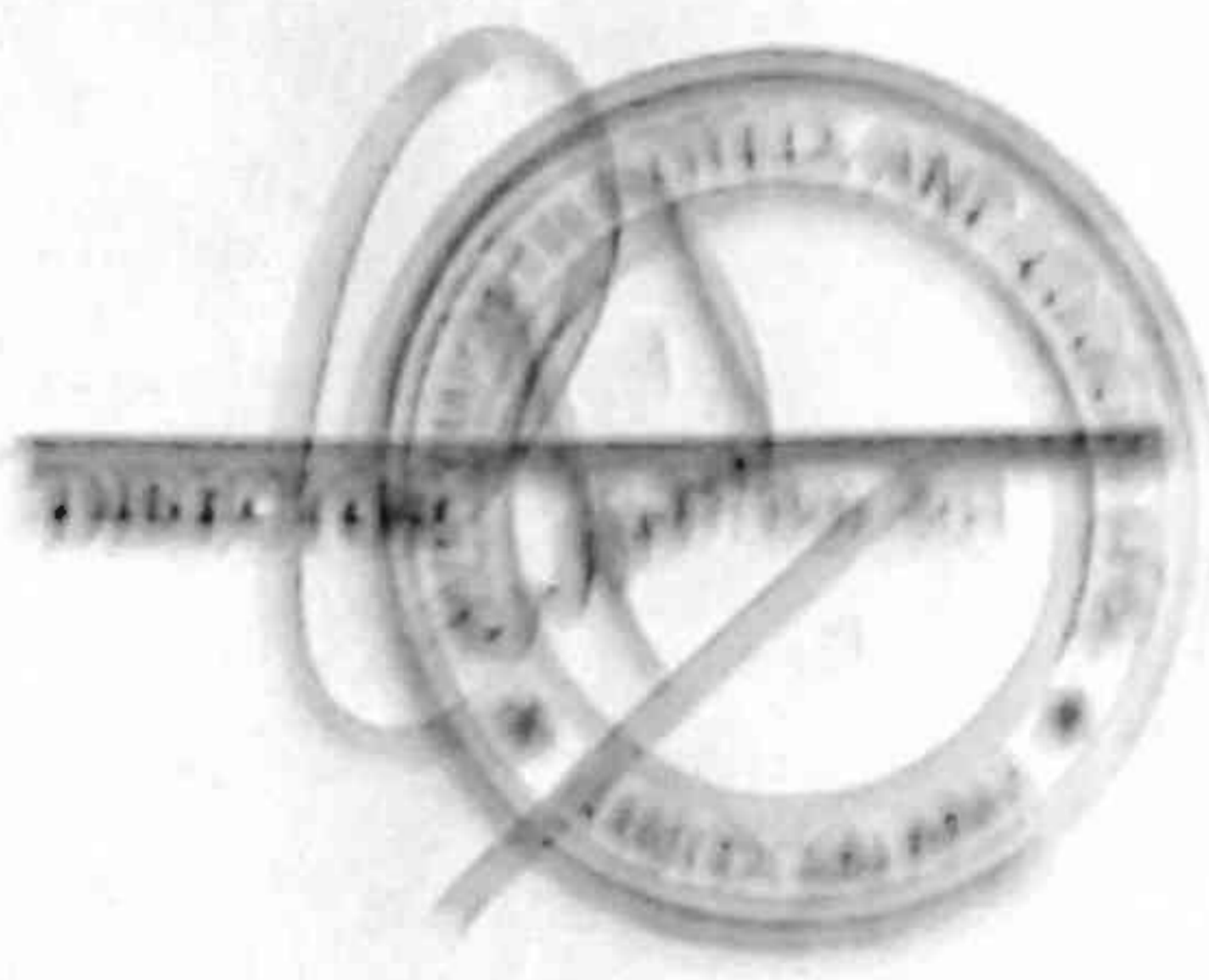
Date

Place: Dar es Salaam

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31/12/2019**

	2019	2018
	US\$'000	US\$'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	8,584,000	10,775,000
Investment	1,180,000	1,180,000
	<u>9,764,000</u>	<u>11,955,000</u>
<b>Current Assets</b>		
Inventory	0	0
Taxation	145,000	145,000
Trade & Other Receivable	90,000	1,075,000
Cash & Cash Equivalents	100,000	145,000
Fixed Deposit	1,075,000	1,075,000
	<u>1,310,000</u>	<u>2,335,000</u>
<b>Total Assets</b>	<u>11,074,000</u>	<u>14,290,000</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Capital &amp; Reserves</b>		
Share Capital	10,000,000	10,000,000
Retained Earnings	1,074,000	4,290,000
	<u>11,074,000</u>	<u>14,290,000</u>
<b>Current Liabilities</b>		
Trade & Other Payable	0	0
	<u>0</u>	<u>0</u>
<b>Long-term Liabilities</b>		
Long-term Loan	0	0
	<u>0</u>	<u>0</u>
<b>Total Equity &amp; Liabilities</b>	<u>11,074,000</u>	<u>14,290,000</u>



**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED,31ST DECEMBER 2024**

	<u>NOTES</u>	<u>2024</u> <u>T.SHS.</u>	<u>2023</u> <u>T.SHS.</u>
Revenue		-	
Interest Received		<u>100,734,849</u>	<u>158,484,960</u>
		100,734,849	158,484,960
<b><u>Operating Expenses</u></b>			
Administrative Cost	14	260,553,550	306,382,229
Finance Cost	15	1,655,066	4,066,365
Employment Cost	16	<u>8,800,000</u>	<u>27,395,000</u>
		271,008,615	337,843,594
Net Profit/(loss) Before Tax		<u>(170,273,766)</u>	<u>(179,358,634)</u>
ADD: Exchange Gain/(Loss)		-	139,358,849
ADD: Exchange Gain/(Loss) Prior year		<u>(170,273,766)</u>	<u>(39,999,786)</u>
		(4,656,548,065)	(4,616,548,279)
<u>ADD: Balance brought forward</u>		<u>(4,826,821,831)</u>	<u>(4,656,548,065)</u>
<u>LESS: Provisional Tax for prior Year</u>		<u>-</u>	<u>-</u>
		(4,826,821,831)	(4,656,548,065)
<u>LESS: Provisional Tax for the Year</u>		<u>-</u>	<u>-</u>
Retained Earnings		<u>(4,826,821,831)</u>	<u>(4,656,548,065)</u>

**WELLWORTH HOTELS & LODGES LIMITED****STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b><u>T. SHS.</u></b>	<b><u>T. SHS.</u></b>
<b><u>CASHFLOW FROM OPERATING ACTIVITIES</u></b>		
Profit/(Loss) for the year before Tax	(170,273,766)	(39,999,786)
<b><u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUND</u></b>		
Depreciation	<u>245,238,817</u>	<u>262,655,953</u>
<b>NET CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL</b>	<b>74,965,051</b>	<b>222,656,147</b>
<b><u>CHANGE IN WORKING CAPITAL ITEMS:</u></b>		
Decrease/(increase) in Inventory	-	-
(Decrease)/increase in Trade & Other Payables	(1,290,999,796)	(115,562,531)
Decrease/ (increase) in Trade & Other Receivables	1,489,310,848	1,003,771,135
Fixed Deposit	<u>-75,990,000</u>	<u>-140,715,645</u>
	<u>122,321,052</u>	<u>747,492,959</u>
<b>TAX PAID FOR THE YEAR</b>	<b>10,153,120</b>	<b>14,976,558</b>
<b>TAX PAID FOR PRIOR YEAR</b>		
<b>NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>	<b><u>10,153,120</u></b>	<b><u>14,976,558</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	(362,588,875)	(958,104,506)
<b>INVESTMENT</b>	<b>(0)</b>	<b>0</b>
<b>NET CASH PROVIDED/(USED) IN INVESTMENT ACTIVITIES</b>	<b><u>(362,588,876)</u></b>	<b><u>(958,104,506)</u></b>
<b><u>FINANCING ACTIVITIES</u></b>		
Long Term Loan	339,540,677	-
Increase in Share Capital	-	-
Shareholder Contribution		
<b>NET CASH PROVIDED/(USED) IN FINANCIAL ACTIVITIES</b>	<b><u>339,540,677</u></b>	<b><u>-</u></b>
<b><u>INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</u></b>		
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>164,084,784</b>	<b>(2,931,957)</b>
<b>CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b><u>162,574,077</u></b>	<b><u>165,506,034</u></b>
<b>CASH &amp; CASH EQUIVALENT AT THE YEAR END</b>	<b><u>326,658,861</u></b>	<b><u>162,574,077</u></b>

**WELLWORTH HOTELS & LODGES LIMITED**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2024**

	<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>TOTAL T.SHS</b>
Balance as at 1.1.2024	18,778,400,000	(4,656,550,065)	14,121,849,935
Changes in accounting policy			
Changes in equity			
Restated balance	18,778,400,000	(4,656,550,065)	14,121,849,935
Profit/(Loss) for the period (net of taxes)		(170,273,766)	(170,273,766)
Balance as at 31.12.2024	18,778,400,000	(4,826,823,831)	13,951,576,169

## WELLWORTH HOTELS & LODGES LIMITED

### 1 General Information

Wellworth Hotels & Lodges Ltd (the Company) is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a private company limited by shares, and is domiciled in Tanzania. The principal place of business is Raha Tower, Upanga. The principal activities of the company is of Hotel and Lodges.

### 2 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (TShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The transition to IFRS for SMEs has no significant effect on the statement of financial position, statement of comprehensive income and accounting policies. Therefore figures have not been restated during this transition.

#### *Revenue recognition*

Revenue from sales of services is recognised when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added tax (VAT) collected on behalf of the government of Tanzania.

#### *Translation of foreign currencies*

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the statement of financial position date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in the statement of comprehensive income.

#### *Property, Plant & Equipment*

All categories of furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

Depreciation is calculated using the reducing line method. The the following are the depreciation annual rates:

	%
Furniture and equipment	12.5
Office Equipments	12.5
Car & Motor Vehicles	25
Computer & Printers	37.5
Land & Buildings	5.0

## **WELLWORTH HOTELS & LODGES LIMITED**

### **2 Basis of preparation and summary of significant accounting policies (continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

#### ***Intangible assets***

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the reducing line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

#### ***Financial assets***

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

#### ***Financial liabilities***

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

#### ***Retirement benefit obligations***

The company and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year to which they relate.

#### ***Income tax***

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax.

## **WELLWORTH HOTELS & LODGES LIMITED**

### **2 Basis of preparation and summary of significant accounting policies (continued)**

#### **Current income tax**

The tax currently payable is based on taxable profit for the year, determined in accordance with the Tanzanian Income Tax Act.

#### **Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand, net of bank overdraft and demand deposits.

### **3 Key sources of estimation/uncertainty**

In the process of applying the accounting policies adopted by the company, the directors make certain estimates and judgements that may affect the carrying values of assets and liabilities in the next financial period. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate such estimates and judgements at each financial reporting date to ensure that they are still believed to be reasonable under the prevailing circumstances based on the information available.

Critical accounting estimates and judgements made by the directors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

**i) Income taxes:**

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

**ii) Impairment losses:**

Estimates made in determining the impairment losses on financial assets and receivables. Such estimates include the determination of the net realisable value or the recoverable amount of the asset. Moreover, in determining whether an impairment loss should be recognised in the statement of comprehensive income for receivables or financial assets, judgement is made as to whether there is a measurable decrease in the estimated future cash flows of any receivable or financial asset.

**WELLWORTH HOTELS & LODGES LIMITED****NOTES TO THE FINANCIAL STATEMENTS.****4) Property, Plant & Equipment**

The Property, Plant & Equipment held by the company are initially recorded at cost. Depreciation is provided by using reducing balance method. A provision for impairment is established wherever there is an objective indication that there has been a material impairment on that particular asset.

Applicable depreciation rate used are as follows:-

ITEM	BALANCE AS AT 1.1.2024	ADDITIONS	SUB TOTAL	DEPRECIAT	BALANCE AS AT 31.12.2024
CWIP- BUILDING	6,365,843,933	362,588,875	6,728,432,809		6,728,432,809
OFFICE EQUIPMENTS	5,979,018		5,979,018	747,377	5,231,641
FURNITURE & FITTINGS	224,578,873		224,578,873	28,072,359	196,506,514
KITCHEN EQUIPMENTS	2,320,838		2,320,838	290,105	2,030,733
LAND & BUILDING	4,023,139,175		4,023,139,175	201,156,959	3,821,982,216
MOTOR VEHICLES	7,315,875		7,315,875	1,828,969	5,486,906
PLANT & MACHINERY	101,922,212		101,922,212	12,740,276	89,181,935
COMPUTER & ACC	1,074,058		1,074,058	402,772	671,286
			-		
<b>TOTAL</b>	<b>10,732,173,982</b>	<b>362,588,875</b>	<b>11,094,762,858</b>	<b>245,238,817</b>	<b>10,849,524,041</b>

**5) Inventories**

Inventories are stated at the lower of cost and net realisable value. This is determined by the Proprietor.

The amount determined is Tshs

**6) Trade & Other Receivables**

Outstanding amounts from debtors are carried at invoice amount less provision for impairment.

A provision for impairment is established where there is an objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables.

The amount of provision is the difference between the carrying amount and the receivable amount.

		2024 T.SHS.	2023 T.SHS.
Vat		212,940,465	107,575,184
Due from Associated	13 iii)	550,504,886	2,145,181,015
Trade Receivables		26,722,660	26,722,660
		<u>790,168,011</u>	<u>2,279,478,859</u>

**7) Cash & Cash Equivalent**

Cash In Hand		68,212,606	17,923,298
Cash at Bank		258,445,894	144,650,418
		<u>326,658,500</u>	<u>162,573,716</u>

**8) Pre-Operational Costs**

Balance Brought Forward		-	-
20% Amortised thereon		-	-
Balance Carried Forward		<u>-</u>	<u>-</u>

**9) Investments**

Investments		<u>9,136,739,203</u>	<u>9,136,739,203</u>
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**WELLWORTH HOTELS & LODGES LIMITED**

	<b>2024</b>	<b>2023</b>
	<b><u>T.SHS.</u></b>	<b><u>T.SHS</u></b>
<b>10) Capital &amp; Liabilities</b>		
<b>Capital Account</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
<b>ISSUED &amp; FULLY PAID UP CAPITAL</b>		
1,500,000 Shares of T.Shs. 10,000/= each	15,000,000,000	15,000,000,000
	<u>15,000,000,000</u>	<u>15,000,000,000</u>
Share Application Money	3,778,400,000	3,778,400,000
	<u>18,778,400,000</u>	<u>18,778,400,000</u>
<b>11) Trade &amp; Other Payables</b>		
Trade & Other Payables include:-		
Accrued charges	7,596,195	8,644,477
Due to Associated 13 ii)	1,386,452,046	1,725,992,723
Trade Payables	446,123,790	1,396,534,628
	<u>1,840,172,031</u>	<u>3,131,171,827</u>
<b>12) Long Term Loan</b>		
BOA Bank Loan	-	-
Loan from associates 13 i)	1,068,110,677	728,570,000
Long Term Loan	6,011,000,843	6,011,000,843
	<u>7,079,111,520</u>	<u>6,739,570,843</u>
<b>13) Related Party Transactions</b>		
<b>i) Amounts due to associates : Non Current Liabilities</b>		
Zainab Gulam Hussein	<u>1,068,110,677</u>	<u>1,068,110,677</u>
<b>ii) Amount due to associates : Current Liabilities</b>		
Esmail Properties Limited	223,990,400	223,990,400
Hardware Africa Limited	1,162,461,646	1,162,461,646
	<u>1,386,452,046</u>	<u>1,386,452,046</u>
<b>iii) Amount due from associates</b>		
Kurbal		14,188,723
Lake Mnayara Kilimamoja Lodge Ltd	(1,089,729,369)	115,535,631
Kunduchi Water Parks Ltd		404,632,405
Wellworth Hotels & Lodges Company Limited- ZNZ	(240,686,653)	(260,686,653)
Oldeani Ngorongoro Mountain Lodge Ltd	1,880,920,908	1,871,510,908
	<u>550,504,886</u>	<u>2,145,181,015</u>

**WELLWORTH HOTELS & LODGES LIMITED**

	<b>2024</b>	<b>2023</b>
	<b><u>T.SHS.</u></b>	<b><u>T.SHS.</u></b>
<b><u>14) Administrative Cost</u></b>		
Accountancy Fees	2,000,000	4,875,000
Advertisement & Exhibitions Expenses		
City Service Levy		
Computer Maintenance	29,661	
Depreciation	245,238,817	262,655,933
Electricity & Water	4,155,404	3,305,384
Fines & Penalties		
School Fees		
Generator Maintenance & Running Exp		
Insurance	3,491,416	29,959,552
Internet Charges		
Land Rent / Osha Fees	-	1,080,000
Legal Expenses	3,000,000	2,000,000
License & Other Related Costs	624,000	
Office Expenses	38,399	
Office Rent		
Printing & Stationery	1,727,500	555,932
Professional Fees		
Purchase of Materials	-	-
Repair & Maintenance	131,912	
Security Charges		
TALA License		
Travelling & Transport Charges	30,000	
Telephone & Postage		
Vehicle Maintenance & Running Charges	86,441	1,950,428
	<u>260,553,550</u>	<u>306,382,229</u>
<b><u>15) Finance Cost</u></b>		
Bank Charges & Interest	<u>1,655,066</u>	<u>4,066,365</u>
<b><u>16) Employment Cost</u></b>		
Medical Expenses	-	14,000
Directors Remuneration		
NSSF/PPF/LAPF Contribution	800,000	2,400,000
Salaries & Wages	8,000,000	24,000,000
Skills & Development Levy		
Staff Accomodation & Welfare		
Staff Uniform	-	981,000
Valuation, Visa & Permit Fees		
Workers Compensation Fund	<u>8,800,000</u>	<u>27,395,000</u>
<b><u>17) Material Cost</u></b>		
Opening Inventory	-	
Add: Purchases	<u>-</u>	<u>-</u>
Cost of goods available for Sale	<u>-</u>	<u>-</u>
Less: Closing Inventory	<u>-</u>	<u>-</u>
Cost of goods Sold	<u>-</u>	<u>-</u>

**ELLWORTH HOTELS & LODGES LIMITED**

**INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2024**  
**COUNTING TO 31ST DECEMBER 2024**

		<b><u>T.SHS.</u></b>
Profit/(Loss) as per Accounts		(170,273,766)
<b>ADDED BACK:</b> Depreciation	245,238,817	
Donation	-	245,238,817
		<u>74,965,051</u>
<b>LESS:</b> Depreciation Allowance		245,238,817
<b>ADJUSTED TAXABLE PROFIT</b>		<u><u>(170,273,766)</u></u>
Corporation Tax 30% on T.Shs.	(170,273,766)	<u><u>-</u></u>

**POSITION OF TAXATION**

Balance brought forward		151,628,846
<b>LESS:</b> Corporate Tax as above		<u>-</u>
		151,628,846
<b>ADDED:</b> Provisional Tax paid for the Year		-
Withholding tax paid during the year		10,153,120
and recoverable		<u><u>161,781,966</u></u>

**DEPRECIATION ALLOWANCE AS PER 3RD SCHEDULE**

	<b><u>CLASS VI</u></b>	<b><u>CLASS III</u></b>	<b><u>CLASS II</u></b>	<b><u>CLASS I</u></b>	<b><u>TOTAL</u></b>
	<b><u>5.00%</u></b>	<b><u>12.50%</u></b>	<b><u>25.00%</u></b>	<b><u>37.50%</u></b>	<b><u>T.SHS.</u></b>
D.V as at 1.1.2024	4,023,139,175	334,800,941	7,315,875	1,074,058	4,366,330,049
<b>ADDED:</b> Additions / (Disposal)	-	-	-	-	-
	<u>4,023,139,175</u>	<u>334,800,941</u>	<u>7,315,875</u>	<u>1,074,058</u>	<u>4,366,330,049</u>
<b>LESS:</b> Annual Allowance	201,156,959	41,850,118	1,828,969	402,772	245,238,818
D.V as at 31.12.2024	<u><u>3,821,982,216</u></u>	<u><u>292,950,823</u></u>	<u><u>5,486,906</u></u>	<u><u>671,286</u></u>	<u><u>4,121,091,231</u></u>



**TANZANIA REVENUE AUTHORITY**

**ACKNOWLEDGEMENT RECEIPT**

**Taxpayer Name:** WELL WORTH HOTELS & LODGES LIMITED  
**Taxpayer TIN:** 100-219-751  
**Filed by:** ZULFIKAR GULAM HUSSEIN ISMAIL  
**Declarant TIN:** 110-522-436  
**Return Type:** Return of Income for Entity - All Businesses except Insurance, Banking, Mining or Petroleum  
**Period :** 2024  
**Submitted on:** 18 June 2025 08:46:33 AM

**ACKNOWLEDGEMENT OF RECEIPT**

Thank you for using e-filing services.

Tanzania Revenue Authority (TRA) hereby acknowledge that on 18 June 2025 08:46:33 AM received your document and assigned an e-document number 202410021975101667996 as per Regulation 72 of the Tax Administration (General) Regulations, 2016. Please quote this number in communication regarding this particular document.

***"Together We Build Our Nation"***

**DICKSON ISAYA QAMARA  
Regional Manager  
Tegeta Tax Region**

**P.O.BOX- Dar es Salaam, Tanzania,  
Tel:,,  
Email : Website:www.tra.go.tz**



# **TANZANIA REVENUE AUTHORITY**

## **DOMESTIC REVENUE DEPARTMENT**

### **Notice of Self Assessment for Corporate Tax**

**TIN:** 100-219-751 **Year of Income:** 2024  
**TAXPAYER NAME:** WELL WORTH HOTELS & LODGES LIMITED **Tax Type:** Corporate Tax  
**BLOCK NO :** **Assessment No.** F428428234  
**P.O.BOX :** 361 **Date of Issue:** 18 June 2025  
**POSTAL TOWN :** DAR ES SALAAM

#### **RE: RETURN OF INCOME FOR THE YEAR OF INCOME 2024**

With reference to the provision of Section 91 of the Income Tax Act, Cap. 332 and Section 46 of the Tax Administration Act, 2015, your submitted return of income with reference number 202410021975101667996 has been assessed with a principal tax liability of TZS. 0 and penalty of TZS. and Interest of TZS. as depicted in the table below;

**You are required to effect payment on or before respective due dates as indicated below:**

<b>Tax Debit Number</b>	<b>GFS Codes</b>	<b>Amount</b>	<b>Due date for payment</b>	<b>Case Type</b>
761745073	11121101	0.00	30 June 2025	PRINCIPAL

**Please quote the above Tax Debit Number when registering payments using Tax Bank or SWIFT/TESS.**

In case you are aggrieved with this assessment you may object by filing notice of Objection to the Commissioner General within 30 days from the date of service of the assessment in accordance with the provisions of section 51 of the Tax Administration Act, Cap. 438 read together with its Regulations.

**"Together We Build Our Nation"**

**DICKSON ISAYA QAMARA**  
**Regional Manager**  
**Tegeta Tax Region**

**P.O.BOX- DAR ES SALAAM,**  
**Tel:,,**  
**Email : Website:www.tra.go.tz**