

SUNNY SAFARIS LIMITED
ARUSHA



**REPORTS AND
FINANCIAL
STATEMENTS**

For the year ended

31 DECEMBER 2024

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

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SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

COMPANY INFORMATION:

Board of Directors

Name

MR Firoz Ally Haji Suleman
MRS Samina Firoz Ally Haji Suleman

Company Secretary

Maxiserve Attorney
Plot no.49 Corridor area - Arusha
P.O.Box 2440
Arusha.

Registered office

Sunny Safaris Limited
P. O. Box 7267
Njiro, Postal code 169
Arusha
Tanzania
TIN: 100- 174- 014
VRN: 11-006000-R

Independent auditor

Muko Associates
Certified Public Accountants and Tax
Consultants
Lindi/Livingstone, Plot No 9711
Block 77, 1st Floor
P.O.Box 75660
Dar es salaam Tanzania.

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024.

The members charged with governance submit their report together with the audited financial statements for the year ended 31 December 2024 which disclose the state of affairs of Sunny Safaris Limited (“the Company”).

1 PRINCIPAL ACTIVITIES

The principal activities of the Company continue to be tour operations.

2 RESULTS AND DIVIDENDS

The retained profit for the year of Shs 35.9 million (2024 profit: Shs 51.3 million) has been transferred to retained earnings. The directors do not recommend a dividend for the year (2024: Nil). The results for the year are set out on page 15 of the financial statements.

3 PERFORMANCE FOR THE YEAR

During the year, revenue improved by -4% signifying the recovery of the tourism sector in Tanzania. The sectorial improvement is result of the government support and investment in quality Tourism across the Republic as a major Gross Domestic Product earner.

The increase in revenue also resulted in a -1%% increase in cost of sales.

A summary of other key performance indicators is highlighted below. The figures are presented in Tanzanian Shillings (Shs.) rounded to thousands unless otherwise stated.

Key Performance Indicators	<u>2024</u>	<u>2023</u>
Revenue growth	(4%)	230%
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA)	169,949	143,787
Profit/(Loss) Before Tax increase	51,383	18,796
Total assets	2,009,212	1,746,591

The Company continued to perform well at EBITDA level with a recorded increase of 18% during the year.

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

4 BUSINESS OBJECTIVES AND STRATEGIES

The Company's objective is to create unforgettable African adventures for its customers. Since its incorporation, Sunny Safaris aims to create a safari operation that is environmentally friendly, for its guests to experience the wonders of Tanzania's nature first hand, leaving only the lightest of footprints.

5 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environment

The company is progressively implementing varied measures to counter emerging threats to biodiversity caused by degradation of ecosystems as a result of hazardous pollutants and excessive use of available natural resources. The following measures continue to be effectively in place:

- Striving to reduce pollution and emissions of harmful substances by adopting the use of natural sources of energy and engaging in tree planting exercises.
- Strict adherence to laws on disposal of plastic waste which has become an issue of global concern.

Social

The Company strives to ensure equality of opportunity for men and women alike, enhancing fairness and promoting good business practices and performance. The company recognises that equality at work between men and women means:

- Not allowing discrimination to be an obstacle in appointing the best candidates for jobs
- Enhanced competitiveness through developing more productive human resource policies; and
- More flexibility for both the Company and its employees especially for example with new technology providing greater opportunity for mothers to participate in the labour market.

Governance

The company is led by the Board of Directors. The Board is committed to the principle of best practice in corporate governance. This was executed by: observing Board independence, maintaining sound relationships with the shareholders of the Company.

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6 THE BOARD OF DIRECTORS

The Board of Directors comprises two (2) directors. Of these, one (1) is non-executives and 1 (one) is executive directors involved in the day-to-day management and operation of the business. The Board is responsible to shareholders for the proper management of the Company and thus the Company's objectives and policies in providing effective leadership and direction.

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

Name	Position	Nationality
Mr. Firoz Ally Haji Suleman	Director	Tanzanian
Mrs. Samina Firoz Ally Haji Suleman	Director	Kenyan

Details of the company secretary as at the date of this report is disclosed under the Company's information page.

7 CAPITAL STRUCTURE AND CASH FLOW

Name	Number of shares
Mr. Firoz Ally Haji Suleman	524
Mrs. Samina Firoz Ally Haji Suleman	<u>301</u>
	<u>825</u>

The Company has 175 shares not allotted since incorporation.

8 RESOURCES

The Company ensures careful planning and allocation of its key resources, most notably its workforce together with diligent risk-management, decision-making and control of both financial and non-financial resources. Further details are provided under the stakeholders' relationship below.

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9 STAKEHOLDERS RELATIONSHIP

Employees

The relationship between employees and management continued to be effective and engaging. Management empathetically engaged with staff and the unions concerned, undertaking amicable settlement negotiations to mutually agree remuneration sacrifices during this most challenging pandemic.

The Company had 4 employees (2024: 4) all of whom were male. During the year, the Company also had a number of employees on a short term contract basis.

Management / Employee relationship

The relationship between employees and management continued to be effective and engaging. During the year, there were matters for resolution with staff on revised remuneration packages in consequence of the Covid-19 pandemic. Management continued to empathetically engage with staff and relevant unions, undertaking amicable negotiations resulting in mutually agreed remuneration sacrifices during this ongoing challenging pandemic.

Training facilities

A training programme is well established and designed to cater for all grades of staff. Training is mainly conducted through exposure both in-house and at local training institutions.

Employee benefits

The Company provides all its employees with uniforms, transport and medical assistance dependent on the employment category.

Employee motivation

The Company maintains its focus on employee motivation and engagement through collaborative forums designed to promote efficiency and improved working conditions. Healthy interaction and dialogue are therefore encouraged through active management and employee participation.

10 COMMERCIAL AND OPERATIONAL RISKS

Details of commercial and operational risks are disclosed at Note 4 to the financial statements.

11 CORPORATE GOVERNANCE

Remuneration

No fees were paid or payable to Directors during the year under review (2022: Nil). It is the Company's principle to remunerate its key management staff in accordance with their requisite responsibilities and prevailing market conditions.

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Relations with Shareholders

The Board places considerable importance on effective communication with shareholders. Both shareholders have access to the Company's Annual Report & Audited Financial Statements. Other important and related information about the Company can be accessed by shareholders through the Group's website.

12 DISABLED PERSONS

Applications for employment by disabled persons are always considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the company continues; and appropriate readjustment(s) to work and training are considered. The company takes pride and responsibility in ensuring the training, career development and promotion of disabled persons is, as far as practical, identical to that of able-bodied employees.

13 POLITICAL AND CHARITABLE DONATIONS

The Company did not make any donations during the year (2024: Nil).

14 RELATED PARTY TRANSACTIONS

Details of transactions with related parties are included in Note 19 to the financial statements.

15 AUDITORS

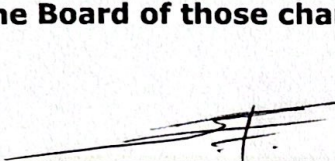
The auditors, **Muko Associates** have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment as auditors of the Company for the year 2024 will be put to the forthcoming Annual General Meeting.

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

Responsibility of those charged with governance.

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

Order of the Board of those charged with Governance


Mr. Firoz Ally Haji Suleman , Director



30th July 2025
Date

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2024

The Tanzania Companies Act, No. 12 of 2002 requires the 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. 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. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and the requirements of the Tanzania Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its results in accordance with International Financial Reporting 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 controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Subject to the comments and the conclusions made at Note 2 of these financial statements, the Directors believe that the Company will remain a going concern for at least twelve months from the date of this report.

By order of the Board of those charged with Governance.



Mr. Firoz Ally Haji Suleman , Director

30th July 2025

Date

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

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 stated under the Directors Responsibility statement above.

I, Asnath Mkiramweni, Head of Finance of Sunny Safaris Limited hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of Sunny Safaris Limited as at 31 December 2024; and that they have been prepared based on properly maintained financial records.

Asnath John Mkiramweni

Position: Head of Finance

Signature: 

Date: 30/07/2025

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

MUKO ASSOCIATES

Certified Public Accountants and Tax Consultants

Independent Auditors Report to the shareholders of Sunny Safaris Limited.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Sunny Safaris Limited** which comprise the statement financial position as at 31st December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended 31st December 2024 and the notes to the financial statements including a summary of significant accounting policies.

In our opinion the accompanying financial statements present true and fair, in all material respects the financial position of **Sunny Safaris Limited** as at 31st December, 2024 its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion.

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

Key audit matters.

Key audit matters are those matters that , in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole. Our opinion in the financial statements is not modified with respect to any of the key audit matters described below and we do not express an opinion on these individual matters. We report that there were no significant key audit matters warranting disclosure herein during the year under review.

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 financial statements.

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

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

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

-Obtain an understanding of internal controls 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 proprietor's internal controls.

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

- Concluded 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 proprietor'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 financial statements or, if such disclosures are inadequate, to modify our auditor's report. However, future events or conditions may cause the proprietor to cease to continue as a going concern.

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

- Obtained sufficient appropriate audit evidence regarding the financial information of the business activities within the proprietor to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the proprietor audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2024

Report on other legal requirements

As required by the Tanzania Companies Act we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the proprietor, so far as appears from our examination of those books; and

The company's balance sheet and profit and loss account are in agreement with the books of account.

Signed By.....
Gaspar Morris Temu (ACPA-PP517)
Dar Es Salaam

Date:.....*30/07*.....2025



SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

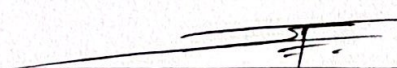
	<u>Note</u>	<u>2024</u> Shs'000	<u>2023</u> Shs'000
Revenue	6	3,441,970	3,618,839
Cost of Sales	7	<u>(3,061,800)</u>	<u>(3,100,393)</u>
Gross profit		380,170	518,446
Administration expenses	8	(388,088)	(499,650)
Other income	6	60,691	-
Selling and distribution expenses		<u>(1,390)</u>	<u>-</u>
Operating profit/(loss)		51,383	18,796
Finance costs	10	<u>-</u>	<u>-</u>
Profit/(loss) before income tax		51,383	18,796
Income tax (expense)/credit	11	<u>(11,000)</u>	<u>(11,266)</u>
Profit/(loss) for the year		<u>40,383</u>	<u>7,530</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive profit/(loss) for the year		<u>40,383</u>	<u>7,530</u>

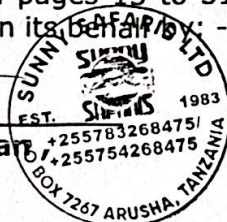
SUNNY SAFARIS LIMITED
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STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>2024</u> Shs'000	2023 Shs'000
ASSETS			
Non-current assets			
Property and equipment	12	<u>461,103</u>	<u>562,389</u>
Current assets			
Other receivables	13	<u>1,407,190</u>	1,112,076
Cash and cash equivalents	14	<u>140,919</u>	<u>72,126</u>
		1,548,109	1,184,202
Total assets		<u>2,009,212</u>	<u>1,746,591</u>
EQUITY			
Capital and reserves			
Ordinary shares	15	<u>528,269</u>	528,269
Retained earnings		<u>(1,931,867)</u>	<u>(1,972,250)</u>
Total equity		<u>(1,403,598)</u>	<u>(1,443,981)</u>
LIABILITIES			
Non-current liabilities			
Borrowings	16	<u>1,088,045</u>	<u>1,243,190</u>
Current liabilities			
Trade and other payables	17	<u>1,883,449</u>	1,485,946
Current income tax	11	<u>201,819</u>	220,819
Borrowings	16	<u>239,497</u>	<u>240,617</u>
		2,324,765	1,947,382
Total liabilities		<u>3,412,810</u>	<u>3,190,572</u>
Total equity and liabilities		<u>2,009,212</u>	<u>1,746,591</u>

The financial statements on pages 15 to 31 were authorised for issue by the Board of Directors and were signed on its behalf by -


Mr. Firoz Ally Haji Suleman
 Director



30th July 2025
 Date

SUNNY SAFARIS LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

STATEMENT OF CHANGES IN OWNER'S EQUITY

	Share capital Shs'000	Retained earnings Shs'000	Total Shs'000
Year ended 31 December 2024			
At start of year	528,269	(1,972,250)	(1,443,981)
Loss for the year	-	40,383	40,383
Transactions with owners			
Dividend declared	-	-	-
At end of year	528,269	(1,931,867)	(1,403,598)
Year ended 31 December 2023			
At start of year	528,269	(1,979,780)	(1,451,511)
Loss for the year	-	7,530	7,530
Transactions with owners			
Dividend declared	-	-	-
At end of year	528,269	(1,972,250)	(1,443,981)

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CASHFLOW STATEMENT

	<u>Note</u>	<u>2024</u> Shs'000	2023 Shs'000
Cash flow from operating activities			
Profit/(loss) before income tax		51,383	18,796
<i>Adjusted for: -</i>			
Disposal	12	20,665	-
Depreciation	12	80,621	124,991
		152,669	143,787
<i>Changes in working capital: -</i>			
- Trade and other receivables		(295,115)	(1,056,623)
- Trade and other payables*		41,981	(84,768)
- Contract liabilities		355,522	1,131,529
Cash flow generated from operations		255,057	133,925
Income tax paid	11	(30,000)	(10,000)
Net cash generated from operations		225,057	123,925
Cash flow from investing activities			
Purchase of property and equipment	12	-	-
Net Cash (used in)/generated from investing activities		-	-
Cash flow from financing activities			
Repayment of long-term borrowings	19	(156,265)	(138,098)
Net cash generated from financing activities		(156,265)	(138,098)
Increase/decrease in cash and cash equivalents		68,793	(14,174)
Movement in cash and cash equivalent			
At 1 January		72,126	86,300
Increase/(decrease) in the year		68,793	(14,174)
At 31 December	17	140,919	72,126

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Details of the Company's registered address is disclosed under page 1.

2. GOING CONCERN

The financial statements have been prepared on the assumption that the Company will continue operating as a going concern. During the year the company made a net profit of Shs. 40 million and had total negative equity amounting to Shs. 1.4 billion (2023: Shs 1.44 billion). As at year end, The Company's current liabilities exceed current assets by Shs 759 million (2023: by Shs 763 million).

Despite the above-mentioned challenges, the financial statements have been prepared using going concern assumptions given the recovery of tourism business. Following increased traveller confidence since 17 March 2022 when the Ministry of Health fully removed PCR tests for inbound fully vaccinated travellers to enter Tanzania, the Company has experienced material improvement in business levels. This cautious confidence has enabled the Directors to continue the prudent formulation of the 2024 operating plan. Consequently, the Directors are of the reasoned opinion that the Company will be able to continue operating as a going concern, for at least 12 months from the reporting date.

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in 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 are prepared in accordance with IFRS Accounting Standards. The financial statements have been prepared under the Historical Cost Convention unless otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with IFRS Accounting Standards 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 separately disclosed at Note 5.

(b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of the Company entities are measured using the currency of the primary economic environment in which the Company entities operate ("the functional currency"). The financial statements are presented in Tanzanian Shillings (rounded to the nearest thousand), which is the functional and presentation currency of the Company.

ii. Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies and disclosures

There are no new Standards and amendments that became effective for the first time for December 2024 year-ends that have material impact on the Company.

Directors are also not aware of any International Financial Reporting Standards, interpretations and amendments issued but not effective.

(d) Financial assets

(i) Classification

The Company classifies its financial assets at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which 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.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the statement of profit or loss.

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

(iv) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 4(b) for further details.

4 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities potentially expose it to a variety of financial risks, including credit risk and the effects of the changes in foreign currency exchange rates. The Company's overall risk management programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimise potential adverse effects on its financial performance. The company does not hedge against such risks.

a) Market risk

(i) Foreign exchange risk

The Company has some exposure to foreign currencies as its revenue is largely earned in US Dollars, while operating expenditure is incurred principally in Tanzania Shillings. However, this exposure does not result in a significant risk as foreign currency assets and liabilities are normally settled within a fairly short time.

On 31 December 2024, if the Tanzania shilling (Shs.) had strengthened / weakened by 5% against the US dollar with all other variables held constant, no significant impact is expected on the performance of the entity.

(ii) Interest rate risk

The Company does not have any interest rate risk as the loan is interest free.

b) Credit risk

Expected credit losses:

The Company has two types of financial assets that are subject to IFRS 9 impairment requirements (Expected Credit Losses):

- Trade and other receivables; and
- Cash at bank

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified impairment loss was not material.

For trade and other receivables, the Company applies the IFRS 9 simplified approach to measuring Expected Credit Losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

Impairment for financial assets has been assessed using a provision matrix. The factors that were considered in arriving at ECL include: -

- (a) adverse changes in the payment status of borrowers or issuers.
- (b) financial difficulties of a customer based on information obtained by the credit controller.
- (c) consistent failure by the customer to meet the agreed purchase targets.
- (d) adverse market conditions affecting the customer.
- (e) historical experience in dealing with the customer including change in the purchase behavior.
- (f) the impact of the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company takes into account factors such as GDP and the inflation rate in Tanzania to be the most relevant factors, and accordingly adjusts expected credit losses based on expected changes in these factors.

As at year end, the Company did not have any trade receivables.

Other receivables:

These amounts represent prepayments. Management has assessed no credit risk from the prepayment balances given its nature.

No collateral is held for any of the above assets and no receivables have had their terms renegotiated. The company's trade receivables that are not impaired are mostly due from customers that the company has dealt with for a number of years, and who have no history of default.

c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from adequately committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines and through inter-company short term advances. Management monitors weekly rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

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The tables below depict the Company's non-derivative financial liabilities by relevant maturity groupings based on the remaining period at the balance sheet date, to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The balances due within 12 months equal their carrying balances, as the impact of discounting is not significant (Shs. '000')

	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
At 31 December 2024				
- Borrowings	239,497	1,088,045	-	1,327,542
- Trade and other payables	1,883,449	-	-	1,883,449
	2,122,946	1,088,045	-	3,210,992
At 31 December 2023				
- Borrowings	240,216	1,243,190	-	1,483,807
- Trade and other payables	1,485,946	-	-	1,485,946
	1,726,152	1,243,190	-	2,969,753

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

d) Capital risk management

There is no significant capital risk management as the entity is privately owned with minimum external borrowings.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

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i) Critical accounting estimates and assumptions

The Company 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 material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

Determination of Property and Equipment useful lives

Director's applied estimates in determination of assets useful lives. Details of the assets' useful lives are included under Note 12.

Income taxes

Significant judgement is required in determining the entity's overall income tax provision or estimated future recovery of income tax losses. There are many transactions and calculations for which the ultimate tax determination is uncertain. The entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(ii) Critical judgements in applying the entity's accounting policies

In applying the Company's accounting policies, management has made judgements in determining whether assets are impaired.

6 REVENUE

The Company recognises revenue for direct sales of goods and rendering of services. Revenue is recognised as and when the Company satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax (VAT).

Accommodation revenue is recognised on occupancy. Food and beverage revenue is recognized on billing, following consumption. Revenue from vehicle hire, mountain

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climbing, and balloon safaris operating are recognised based on the performance of the service.

For each of the revenue streams, the Company recognises revenue over time or at a point in time specifically after the performance obligation of transfer of goods or service to the customer has been fulfilled. The Company policy is to allocate the total transaction price to the performance obligations in the product offer / contract by reference to their relative stand-alone selling prices, e.g. for Food & Beverage at standard cost price grossed up for industry margins. Where such a stand-alone selling price is not directly observable, the Company undertakes reasoned standard estimates based on cost plus a margin.

The split of revenue recognised over time and at a point in time during the year is as follows:

	<u>2024</u> Shs'000	<u>2023</u> Shs'000
Safari Package revenue	2,378,334	2,437,434
Vehicle hire	1,063,636	<u>1,181,405</u>
	<u>3,441,970</u>	<u>3,618,839</u>
Other Income		
Gain from disposal of motor vehicles*	60,691	<u>-</u>

During the year the Company sold 4 motor vehicles with a carrying value of Shs. 21 million at Shs. 96 million inclusive of VAT of Shs. 15 million realising a gain of Shs. 61 million.

7 COST OF SALES

Safari lodges Meals and accommodation expenses	1,099,895	1,177,013
Scheduled flight and charter	86,238	120,515
Fuel and lubricants	202,580	123,729
Park fees, WMA and concession fees	1,672,610	1,678,056
Other direct expenses	478	1,080
	<u>3,061,800</u>	<u>3,100,393</u>

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8 EXPENSES BY NATURE

Employee benefits expense (Note 9)	10,700	10,695
Drivers' allowances	88,410	77,272
Depreciation expenses	80,621	124,991
Licenses and Subscription Fees	12,934	5,393
Accounting, Audit and Tax Fee	1,500	150
Security	14,426	4,725
Insurances and LATRA	-	6,592
Courier & Communication expenses	-	350
Groceries and other cleaning material	6,898	76,906
Motor Vehicle spear parts	59,786	120,091
Rent	78,570	52,704
Utilities	12,509	8,309
Stationery	2,016	458
Communication and ICT	2,548	-
City and airport parking expenses	678	-
Exchange gain	15,551	-
Repair and maintenance	941	11,014
	<u>388,088</u>	<u>499,650</u>

9 EMPLOYEE BENEFITS EXPENSE

The following items are included within employee benefits expense:

	<u>2024</u>	<u>2023</u>
	Shs'000	Shs'000
Salaries and wages	9,679	9,679
Social security costs - defined contribution plan	968	968
Workers' compensation Fund (WCF)	53	53
	10,700	10,695

10 FINANCE COSTS

Bank charges	<u>-</u>	<u>-</u>
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11 INCOME TAX EXPENSE

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate in Tanzania, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

		<u>2024</u> Shs'000	<u>2023</u> Shs'000
Current tax	- Current	11,000	11,266
	- Prior years	-	-
Deferred tax (Note 20)	- Current	-	-
	- Prior years	-	-
		<u>11,000</u>	<u>11,266</u>

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

		<u>2024</u> Shs'000	<u>2023</u> Shs'000
Profit/(Loss) before tax		<u>51,383</u>	<u>18,796</u>
Tax calculated at a tax rate of 30%		15,415	5,639
<i>Tax effect of:</i>			
- Expenditure permanently disallowed		-	37,497
- Depreciation allowance		<u>(4,414)</u>	<u>(31,870)</u>
Income tax expense		<u>11,000</u>	<u>11,266</u>

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CURRENT INCOME TAX

At the start of the year	220,819	220,819
Payments	(30,000)	(10,000)
Withholding tax suffered	-	-
Charge to Income statement	<u>11,000</u>	<u>11,266</u>
At the end of the year	<u>201,819</u>	<u>220,819</u>

12 PROPERTY AND EQUIPMENT

Property and equipment are initially recognised at cost. Subsequent to initial recognition, property, plant and equipment items are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All other property and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line basis to write down the cost of each asset, or the revalued amounts, over their expected useful life as follows:

	<u>Useful life</u>
Land and buildings	5%
Motor vehicles	25%
Motor Lorries	37.5%
Machinery equipment	12.5%
Furniture and fittings	12.5%

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and sale proceeds, both are taken into account in determining operating results. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

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12 PROPERTY AND EQUIPMENT

	Land and buildings Shs'000	Motor vehicles Shs'000	Motor lorries Shs'000	Machinery equipment Shs'000	Furniture and fittings Shs'000	Capital work in progress Shs'000	Total Shs'000
Year ended 31 December 2024							
Cost at 1 January	114,952	711,085	44,900	556,402	4,105	23,827	1,465,272
Additions	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-
	<u>114,952</u>	<u>711,085</u>	<u>44,900</u>	<u>556,402</u>	<u>4,106</u>	<u>23,827</u>	<u>1,465,272</u>
Depreciation at 1 January	(25,068)	(559,308)	(40,618)	(275,889)	(1,999)	-	(902,883)
Depreciation charge for year	(4,494)	(37,944)	(1,606)	(36,314)	(263)	-	(80,621)
	<u>(29,562)</u>	<u>(597,252)</u>	<u>(42,224)</u>	<u>(312,203)</u>	<u>(2,262)</u>	<u>-</u>	<u>(983,505)</u>
Disposal (NBV)	-	(20,665)	-	-	-	-	(20,665)
Net Book Value at 31 December 2024	<u>85,390</u>	<u>75,889</u>	<u>2,676</u>	<u>244,199</u>	<u>1,843</u>	<u>23,827</u>	<u>461,103</u>

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FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2024

**12 PROPERTY AND EQUIPMENT
(CONTINUED)**

	<u>Land and buildings</u> Shs'000	<u>Motor vehicles</u> Shs'000	<u>Motor lorries</u> Shs'000	<u>Machinery equipment</u> Shs'000	<u>Furniture and fittings</u> Shs'000	<u>Capital work in progress</u> Shs'000	<u>Total</u> Shs'000
Year ended 31 December 2023							
Cost at 1 January	114,952	711,085	44,900	556,402	4,105	23,827	1,465,272
Additions	-	-	-	-	-	-	-
Disposal/Transfers	-	-	-	-	-	-	-
	<u>114,952</u>	<u>711,085</u>	<u>44,900</u>	<u>556,402</u>	<u>4,106</u>	<u>23,827</u>	<u>1,465,272</u>
Depreciation at 1 January	(20,337)	(483,420)	(38,049)	(234,389)	(1,699)	-	(777,892)
Depreciation charge for year	(4,731)	(75,888)	(2,569)	(41,502)	(300)	-	(124,991)
	<u>(25,068)</u>	<u>(559,308)</u>	<u>(40,618)</u>	<u>(275,889)</u>	<u>(1,999)</u>	-	<u>(902,883)</u>
Net Book Value at 31 December 2023	<u>89,884</u>	<u>115,776</u>	<u>4,282</u>	<u>290,513</u>	<u>2,105</u>	<u>23,827</u>	<u>562,389</u>

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13. OTHER RECEIVABLES

	<u>2024</u> Shs'000	<u>2023</u> Shs'000
Hotels prepayments	1,407,190	1,077,240
VAT receivable	-	34,836
	<u>1,407,190</u>	<u>1,112,076</u>

Prepayments represent accommodation and other payments made by the Company in advance for the upcoming Safaris.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

	<u>2024</u> Shs'000	<u>2023</u> Shs'000
Cash at bank	<u>140,919</u>	<u>72,126</u>

15 SHARE CAPITAL

Ordinary shares are classified as 'Share Capital' in equity. Any premium received over and above the par value of the shares is classified as 'Share Premium' on equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

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	Authorised Share Capital	Issued share capital
At 1 January 2022 and 31 December 2024	<u>1,000</u>	<u>825</u>
Value of issued and fully paid shares	<u>2024</u> Shs'000	<u>2023</u> Shs'000
825 shares of Shs. 640,326	<u>528,269</u>	<u>528,269</u>

175 authorised shares have not been issued since incorporation of the Company.

16 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between borrowing proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	<u>2024</u> Shs'000	<u>2023</u> Shs'000
Total borrowings	<u>1,327,542</u>	1,483,807
Less: current portion	<u>(239,497)</u>	<u>(240,617)</u>
Non-current portion	<u>1,088,045</u>	<u>1,243,190</u>
BORROWINGS MOVEMENT		
At the start of the year excluding overdraft	<u>1,483,807</u>	1,621,905
Additions	-	-
Payments	<u>(156,264)</u>	<u>(138,098)</u>
Interest	-	-
At the end of the year	<u>1,327,542</u>	<u>1,483,807</u>

The above loans have been taken over by Exim Bank from the FNB bank. At the time of takeover, all interest and charges were converted to an agreed principal amount. No subsequent interest is charged by the Bank. The loan matures in February 2030.

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17 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. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	<u>2024</u>	<u>2023</u>
	Shs'000	Shs'000
Trade payables	95,536	53,946
VAT payable	391	-
Tourist deposits	<u>1,787,522</u>	<u>1,432,000</u>
	<u>1,883,449</u>	<u>1,485,946</u>

18 SUBSEQUENT EVENTS

There were no events after the reporting period that had material impact to the Company financial statements.

19 RELATED PARTIES

They do not have any related parties.

The Key Management personnel is considered the Managing Director only. During the year, there was no payment to the Director. This is to support the Company as it recovers from COVID-19 impact and other operational challenges.