TRAVEL CIRCLE INTERNATIONAL (MAURITIUS) LTD

FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2025

For the year ended 31 March 2025

Contents **Pages**

Corporate data

		Date appointed
Directors:	Mr Mohinder Dyall	26-May-17
	Ms Sangeeta Bissessur	11-Sept-18

Company Secretary:	Apex Financial Services (Mauritius) Ltd *Up to 2 August 2024* Apex House, Bank Street Twenty Eight, Cybercity Ebene 72201, Mauritius	*From 3 August 2024* 6th Floor, Two Tribeca Tribeca Central, Trianon 72261, Mauritius
Registered office:	Apex Financial Services (Mauritius) Ltd *Up to 2 August 2024* Apex House, Bank Street Twenty Eight, Cybercity Ebene 72201, Mauritius	*From 3 August 2024* 6th Floor, Two Tribeca Tribeca Central, Trianon 72261, Mauritius
Auditor:	Baker Tilly Level 2, Tribeca Central, Trianon 72261, Republic of Mauritius	
Bankers:	SBI (Mauritius) Ltd 6th & 7th Floor SBI Tower Mindspace, Bhumi Park, 45, Ebene Cybercity Republic of Mauritius	
	The Mauritius Commercial Bank Ltd, Sir William Newton Street, Port Louis Republic of Mauritius	

Commentary of the directors

The directors of Travel Circle International (Mauritius) Ltd, the "Company", have the pleasure in submitting their report together with the audited financial statements for the year ended 31 March 2025.

Incorporation

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

Principal activity

The principal activity of the Company is to hold investments.

Results and dividends

The results for the year are as shown on page 9.

The directors do not recommend the payment of any dividend for the year under review (2024: USD Nil).

Directors

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

Directors' responsibilities in respect of the financial statements

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

· select suitable accounting policies and then apply them consistently;
· make judgments and estimates that are reasonable and prudent;
· state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the IFRS Accounting Standards as issued by the International Accounting Standard Board ("IFRS Accounting Standards"), as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for Companies holding a Global Business Licence. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, **Baker Tilly**, has indicated its willingess to continue in office and a resolution concerning its re-appointment will be proposed at the Annual Meeting.

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Travel Circle International (Mauritius) Ltd** under section 166(d) of the Mauritius Companies Act 2001, during the financial year ended 31 March 2025.

Kristen Rungen

For Apex Financial Services (Mauritius) Ltd
Company Secretary

Registered Office:
6th Floor, Two Tribeca
Tribeca Central
Trianon 72261
Republic of Mauritius

Date: 28 May 2025

bakertilly

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Travel Circle International (Mauritius) Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements on pages 8 to 36 give a true and fair view of the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in compliance with the requirements of the Mauritius Companies Act 2001.

Basis for Opinion

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

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Travel Circle International (Mauritius) Ltd

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate data, commentary of the directors and certificate from the secretary.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor.

We have obtained all the information and explanations we have required.

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

Other Matter

This report has been prepared for and only for the Company's Shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed to our prior consent in writing.

Baker Tilly

Date: 28/05/2025

Sin C. LI, CPA, CGMA
Licensed by FRC

Statement of financial position as at 31 March 2025

	Notes	2025 USD	2024 USD
Assets			
Non-current assets			
Investments in subsidiaries	8	**24,606,816**	24,606,816
Total non-current assets		**24,606,816**	24,606,816
Current assets			
Loans	9	**55,373,080**	55,197,287
Other receivables	10	**53,217**	-
Investment in fixed deposits	11	**1,124,469**	205,833
Cash and cash equivalents	12	**1,555,468**	1,318,942
Total current assets		**58,106,234**	56,722,062
Total assets		**82,713,050**	81,328,878
Equity and liabilities			
Equity			
Stated capital	13.1	**4,133,001**	4,133,001
Share premium	13.2	**5**	5
Optionally convertible redeemable preference shares	14	**25,910,000**	25,910,000
Accumulated losses		**(5,108,747)**	(4,534,653)
Total equity		**24,934,259**	25,508,353
Liabilities			
Current liabilities			
Borrowings	15	**57,405,122**	55,668,118
Forward exchange contracts	17	**198,015**	-
Payables	16	**175,654**	152,407
Current liabilities		**57,778,791**	55,820,525
Total liabilities		**57,778,791**	55,820,525
Total equity and liabilities		**82,713,050**	81,328,878

Authorised and approved by the Board on 28 May 2025 and signed on its behalf by:

Mr Mohinder Dyall

Ms Sangeeta Bissessur

The notes on pages 12 to 36 form an integral part of these financial statements.

Statement of comprehensive income for the year ended 31 March 2025

	Note	2025 USD	2024 USD
INCOME			
Interest income - related parties		**3,838,385**	3,961,685
Interest income - bank		**-**	43,273
Total income		**3,838,385**	4,004,958
EXPENDITURE			
Interest expense - related parties		**3,692,387**	3,936,347
Professional fees		**379,593**	195,363
Foreign exchange losses		**198,015**	291,538
Other expenses		**122,125**	22,591
Accounting fees		**12,000**	12,000
Audit fees		**5,974**	5,162
Interest expense - bank		**2,289**	232,292
Corporate guarantee fees		**96**	32,325
Processing fees		**-**	62,795
Total expenditure		**4,412,479**	4,790,413
Loss before tax		**(574,094)**	(785,455)
Tax expense	18	**-**	-
Loss for the year		**(574,094)**	(785,455)
Total comprehensive loss the year		**(574,094)**	(785,455)

The notes on pages 12 to 36 form an integral part of these financial statements.

Statement of changes in equity for the year ended 31 March 2025

	Stated capital	Share premium	Optionally convertible redeemable Preference shares	Accumulated losses	Total equity
	USD	USD	USD	USD	USD
At 31 March 2024	**4,133,001**	**5**	**25,910,000**	**(4,534,653)**	**25,508,353**
Loss for the year	**-**	**-**	**-**	**(574,094)**	**(574,094)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(574,094)**	**(574,094)**
At 31 March 2025	**4,133,001**	**5**	**25,910,000**	**(5,108,747)**	**24,934,259**
At 31 March 2023	4,133,001	5	25,910,000	(3,749,198)	26,293,808
Loss for the year	-	-	-	(785,455)	(785,455)
Total comprehensive loss for the year	-	-	-	(785,455)	(785,455)
At 31 March 2024	4,133,001	5	25,910,000	(4,534,653)	25,508,353

The notes on pages 12 to 36 form an integral part of these financial statements.

Statement of cash flows for the year 31 March 2025

	Notes	2025 USD	2024 USD
Operating activities			
Loss before tax		**(574,094)**	(785,455)
Adjustments for:			
Interest income		**(3,838,385)**	(4,004,958)
Interest expense		**3,694,676**	4,168,639
Operating loss before working capital changes		**(717,803)**	(621,774)
Changes in working capital:			
Change in payables		**23,247**	(122,560)
Change in receivables		**(53,217)**	78,371
Total changes in woking capital		**(29,970)**	(44,189)
Net cash used in operating activities		**(747,773)**	(665,963)
Investing activities			
Investment in fixed deposits	11	**-**	(265,648)
Fixed deposit redeemed	11	**-**	1,665,590
Net cash (used in)/generated from investing activities		**-**	1,399,942
Financing activities			
Loans from related parties	9	**3,506,185**	12,124,815
Loans to related parties	9	**-**	(2,929,469)
Repayment of borrowings - related parties	15	**(1,620,000)**	(8,130,000)
Repayments of borrowings - bank	15	**-**	(5,000,000)
Additions in borrowings	15	**-**	4,460,000
Interest paid	15	**(336,020)**	(823,644)
Interest received	9	**352,770**	476,735
Net cash generated from financing activities		**1,902,935**	178,437
Net change in cash and cash equivalents		**1,155,162**	912,417
Cash and cash equivalents, at beginning of the year		**1,318,942**	406,526
Cash and cash equivalents, at end of the year		**2,474,104**	1,318,942
Cash and cash equivalents made up of:			
Cash at bank	12	**1,555,468**	1,318,942

For reconciliation of liabilities arising from financial activities, refer to ***Note 20***

The notes on pages 12 to 36 form an integral part of these financial statements.

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

Travel Circle International (Mauritius) Ltd, the "Company", was incorporated on 26 May 2017 in the Republic of Mauritius under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Global Business Licence issued (formerly Category 1 Global Business Licence) by the Financial Services Comission. The Company's registered office is 6th floor, Two Tribeca, Tribeca Central, Trianon 72261, Republic of Mauritius.

The principal activity of the Company is to hold investments.

2. Basis of preparation

(a) Statement of compliance

The financial statements of Travel Circle International (Mauritius) Ltd have been prepared in accordance with the IFRS Accounting Standards ("IFRS") and in compliance with the requirements of Mauritius Companies Act 2001.

Details of the Company's accouting policies are included in note 4.

(b) Basis of measurement

The financial statements have been prepared on the going concern basis using historical cost basis except as otherwise stated in the notes to the financial statements.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar ("USD") which is the Company's functional currency. All amounts have been rounded to the nearest USD unless otherwise stated.

(d) Use of estimates and judgement

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

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

3. Application of new and revised International Financial Reporting Standards ("IFRS")

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16); and
- Classification of Liabilities as Current or Non-current Liabilities with Covenants (Amendments to IAS 1).

The application of the new and revised IFRS Accounting Standards did not have any an impact on the financial statements.

Standards and interpretations issued and not yet effective for the financial year ended 31 March 2025

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them. The directors do not expect that the adoption of the standards listed below would have an impact on the financial statements.

Amendments to:	**Effective for accounting period beginning on or after**	
Lack of exchangeability – Amendments to IAS 21	1 January 2025	Applicable
Classification and Measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	1 January 2026	Not Applicable
Annual Improvements to IFRS Accounting Standards- Volume 11	1 January 2026	Applicable
Contracts Referencing Nature dependent – Amendments to IFRS 9 and IFRS 7	1 January 2026	Applicable
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027	Applicable
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027	Applicable
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).	To be determined	Not Applicable

3. Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Company does not expect these amendments to have a material impact on its operations of its financial statements.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

The Company does not expect these amendments to have a material impact on its operations or financial statements.

3 Application of new and revised International Financial Reporting Standards ("IFRS") (Cont'd)

Contracts referencing Nature Dependent – Amendments to IFRS 9 and IFRS 7

In December 2024, the Board issued contracts Referencing Nature- Dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:

• Clarifying the application of the 'own use' requirements;
• Permitting hedge accounting if these contracts are used as hedging instruments; and
• Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Company does not expect these amendments to have a material impact on its operations or financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted

The Company does not expect these amendments to have a material impact on its operations or financial statements.

4 Summary of material accounting policies

4.1 Overall considerations

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

4.2 Foreign currency

Functional and presentation

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

Foreign currency transactions and balances

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

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

4.3 Revenue recognition

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

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

4.4 Operating expenses

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

4.5 Impairment of non financial assets

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

4.6 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Recognition and initial measurement

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

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.
Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

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

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

Financial assets - Business model assessment

The Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets:

- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance income or finance costs, except for impairment losses which are presented within other expenses.

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Financial assets at amortised cost

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, loan to related party and most of its receivables fall into this category of financial instruments.

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

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include accruals.

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

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Company holds investment in Travel Circle International (Mauritius) Ltd, an unquoted company and the objective of holding this investment is not for returns from capital appreciation or investment income. Hence the directors consider the cost of this investment to be a fair reflection of the fair value.

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Impairment

Non-derivative financial assets

Financial instruments

The Company recognise loss allowances for ECLs on financial assets measured at amortised cost.

The Company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

-Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

The Company assumes that the credit risk on a financial asset has increased significantly if its is more than 90 days past due.

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and the Company is exposed to credit risk.

Measurement of ECLs

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

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Impairment (Cont'd)

Non-derivative financial assets

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company have a policy of writing off the gross carrying amount when the financial asset is 90 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually make an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Derecognition

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

The Company enter into transactions whereby it transfers assets recognised in their statement of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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

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

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

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial liabilities

The Company’s financial liabilities include payables and borrowings.

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

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

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

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

4. Summary of material accounting policies (Cont'd)

4.6 Financial instruments (Cont'd)

Offsetting financial instruments

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

4.7 Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in profit or loss.

The fair value of foreign exchange contracts is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in respective currencies.

4.8 Investments in susidiaries

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

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

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

The Company holds investments in subsidiaries, and is required to present consolidated financial statements. In accordance with the Fourteeth Schedule of the Mauritius Companies Act, Section 212, the Company may not prepare group financial statements as it is wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act, content and form of the financial statements, these financial statements present the financial position, financial performance and cashflow of the Company.

No consolidated financial statements have been prepared as the directors of the Company have taken advantage of the exemption under section 10.4 of IFRS 10 - Consolidated Financial Statements and the Mauritius Companies Act 2001, which exempts a company holding a Global Business Licence from preparing consolidated financial statements when it is a wholly owned or a virtually wholly owned subsidiary of any company.

4 Summary of material accounting policies (Cont'd)

4.9 Related parties

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

4.10 Cash and Cash equivalents

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

4.11 Equity and reserves

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

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

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

4.12 Taxation

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

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

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

4.13 Provisions

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

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

4. Summary of material accounting policies (Cont'd)

4.14 Critical accounting estimates and judgements

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

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

Significant management judgements

Determination of functional currency

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

Recognition of deferred tax

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

Estimation uncertainties

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

Impairment of loans

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

Impairment of investments in subsidaries

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

5 Financial instrument risk

Risk management objectives and policies

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

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

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

	2025	2024
	USD	USD
Financial assets		
Amortised cost		
Current		
Loans	**55,373,080**	55,197,287
Investment in fixed deposits	**1,124,469**	205,833
Cash and cash equivalents	**1,555,468**	1,318,942
Current assets	**58,053,016**	56,722,062
Total financial assets	**58,053,016**	56,722,062

	2025	2024
	USD	USD
Financial liabilities		
Amortised cost		
Current		
Borrowings	**57,405,122**	55,668,118
Forward exchange contracts	**198,015**	-
Payables	**175,654**	152,407
	57,778,791	55,820,525
Total financial liabilities	**57,778,791**	55,820,525

** Financial asssets exclude prepayments and other receivables* ***USD 53,218*** *(2024: USD Nil).*

The most significant financial risk to which the Company is exposed are described below:

5.1 Market risks analysis

Foreign currency exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures from future commercial transactions and recognised assets and recognised liabilities. Foreign currency risk, as defined in IFRS 7, arises as the value of future transaction, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

To mitigate exposure, the Company has entered into a Forward Exchange Contract, as detailed in Note 17, effectively managing currency fluctuations. While all financial assets and liabilities are denominated in USD, these contracts enhance the Company's foreign exchange risk management.

All the Company's financial assets and liabilities are denominated in USD. Consequently, the Company is not exposed to foreign exchange risk.

Interest rate risk

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

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

5.2 Credit risk analysis

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

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

	2025	2024
	USD	USD
Current		
Loans	**55,373,080**	55,197,287
Investment in fixed deposits	**1,124,469**	205,833
Cash and cash equivalents	**1,555,468**	1,318,942
Current assets	**58,053,016**	56,722,062
Total	**58,053,016**	56,722,062

5 Financial instrument risk (Cont'd)

5.2 Credit risk analysis (Cont'd)

The directors have assessed the loans due from related parties and concluded that these loans have no expected credit loss to be recognised. Furthermore, the holding company has undertaken to make good any loss suffered by the Company in the event of any default arising out from these loans. Also, the Company, acting as an investment vehicle, forms part of a group where the treasury functions are centrally managed and all loans within group companies are managed at the holding company level.

The credit risk for cash and cash equivalents is considered negligible, since the Company transacts with reputable banks. The cash and cash equivalents are held with bank and financial institution conterparties which are rated BBB- to AA+ based on Fitch's and Moody's ratings as illustrated below:

Bank	Ratings
The Mauritius Commercial Bank Ltd	AAA
SBI (Mauritius) Ltd	BBB

None of the above financial assets are secured by collaterals or other credit enhancements.

5.3 Liquidity risk analysis

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

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

5 Financial instrument risk (Cont'd)

5.3 Liquidity risk analysis (Cont'd)

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

The following are the contractual maturities of financial liabilities:

31 March 2025	**Carrying amount USD**	**Contractual cash flows USD**	**Less than one year USD**	**1-5 years USD**
Borrowings	**57,405,122**	**57,405,122**	**57,405,122**	**-**
Forward exchange contracts	**198,015**	**198,015**	**198,015**	**-**
Payables	**175,654**	**175,654**	**175,654**	**-**
	57,778,791	**57,778,791**	**57,778,791**	**-**

31 March 2024	**Carrying amount USD**	**Contractual cash flows USD**	**Less than one year USD**	**1-5 years USD**
Borrowings	55,668,118	55,668,118	55,668,118	-
Payables	152,407	152,407	152,407	-
	55,820,525	55,820,525	55,820,525	-

6 Capital management policies and procedures

The Company's capital management objectives are:

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

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

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

6 Capital management policies and procedures (Cont'd)

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

	2025 USD	2024 USD
Debt	**57,405,122**	55,668,118
Cash and cash equivalents	**(1,555,468)**	(1,318,942)
Net debt	**55,849,654**	54,349,176
Equity	**24,934,259**	25,508,353
Total capital	**80,783,913**	79,857,530
Gearing ratio	**69.13%**	68.06%

Debt includes loans from related parties but excludes loans from banks (Note 15).

7 Fair value measurement

7.1 Fair value measurement of financial instruments

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

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

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

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

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

8 Investments in subsidiaries

8.1 Movement during the year

	2025	2024
	USD	USD
At 01 April and 31 March	**24,606,816**	24,606,816

8.2 Details pertaining to the investments are as follows:

Name of companies	**Country of Incorporation**	**% Holding**
Kuoni Australia Holding Pty Ltd	Australia	100%
Asian Trails Holdings Ltd	Republic of Mauritius	80%
Reem Tours and Travel LLC	United Arab Emirates	100%
Gulf Dunes LLC (Note 8.5)	United Arab Emirates	100%
Desert Adventures Tourism LLC	United Arab Emirates	100%
Kuoni Private Safaris (Pty) Ltd	Republic of South Africa	100%
Private Safaris (EA) Ltd	Kenya	100%
DEI Holdings Limited	United Arab Emirates	51%

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

8.4 The Company holds 49% each of the shares of Reem Tours and Travel LLC, Gulf Dunes LLC and Desert Adventures Tourism LLC and the remaining 51% shares are indirectly held by the Company through distinct nominees. The Company maintains beneficial ownership of these investments.

8.5 The Company has not received any dividend income during the current financial year (2024: USD nil).

9 Loans

	2025 USD	2024 USD
Current		
Loans to related companies (Notes (i))	**55,373,080**	55,197,287

(i) The loans are unsecured, receivable within twelve months, repayable on demand and partly interest-free and partly bear interest.

(ii) Interest due on the loans to related companies for the year amounted to **USD 12,443,310** (2024: USD 8,959,348).

(iii) Expected credit losses

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

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

10 Other receivables

	2025 USD	2024 USD
Other receivables	**53,217**	-

11 Investment in fixed deposits

	2025 USD	2024 USD
At 01 April	205,833	1,605,775
Investment during the year	917,167	205,000
Redeemed during the year	-	(1,665,590)
Interest element	1,469	60,648
At 31 March	1,124,469	205,833

(i) At 31 March 2025, the Company held fixed deposits with maturity dates of 21 September 2025 and 25 September 2025 and interest rates which are 4.40% (2024: 5%) per annum. The Company holds bank deposits amounting to USD 1,124,469, which are subject to a lien. These funds have been pledged as security to the forward exchange contracts with the Mauritius Commercial Bank Ltd for a notional value of AUD 8,763,245, maturing on 30 September 2025. The lien limits the Company's access to these funds for operational purposes; however, Management has assessed the impact and confirms that this does not materially affect the Company's financial position or liquidity.

(ii) Interest accrued on the investment in fixed deposits for the year amounted to **USD 1,469** (2024: USD 60,648).

12 Cash and cash equivalents

	2025	2024
	USD	USD
Cash at bank (USD)	**1,555,468**	1,318,942

13.1 Stated capital

	2025	2024
	USD	USD
4,133,001 ordinary shares of USD 1 each	**4,133,001**	4,133,001

Balance consist of the issue of 1 ordinary share of par value USD 1 to Thomas Cook (Mauritius) Holding Company Limited, at a price of USD 6.18, thus resulting in a premium of USD 5.18 (Note 13.2).

Rights attached to the ordinary shares are as per the Mauritius Companies' Act, as follows:

(i) the right to vote on a poll for every share held at a meeting of the Company on any resolution;
(ii) the right to an equal share in dividends authorised by the Board; and
(iii) the right to an equal share in the distribution of the surplus assets of the Company.

13.2 Share premium

	2025	2024
	USD	USD
Share premium	**5**	5

14 Optionally convertible redeemable preference shares ("OCRPS")

	2025	2024
	USD	USD
Nominal value	**23,649,535**	23,649,535
Share premium (Note 13.2)	**2,260,465**	2,260,465
Total	**25,910,000**	25,910,000

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

The OCRPS carry the following rights:

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

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

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

15 Borrowings

	2025 USD	2024 USD
Current		
Loans from related parties (Note (ii))	**57,405,122**	55,668,118
Total current	**57,405,122**	55,668,118
Total borrowings	**57,405,122**	55,668,118

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

(ii) Interest accrued on the loans for the year amounted to USD **11,545,122** (2024: USD 8,188,118).

16 Payables

	2025 USD	2024 USD
Accruals	**110,702**	76,272
Due to a related party	**64,952**	76,135
Total	**175,654**	152,407

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

17 Forward exchange contracts

As part of its foreign exchange risk management strategy, the Company has entered into forward exchange contracts to hedge its exposure arising on its loan receivables denominated in foreign currency. These contracts are used to mitigate the impact of exchange rate volatility on financial transactions denominated in foreign currencies.

As at 31 March 2025, the Company holds forward exchange contracts with a notional value of AUD 8,763,245, maturing on 30 September 2025, linked to anticipated foreign currency inflows and outflows. The fair value of these contracts, recognized in the financial statements, amounts to USD 198,015, classified under Financial Liability in accordance with IFRS 9 – Financial Instruments.

Management continuously monitors exchange rate movements to assess and adjust the hedging strategy as necessary.

18 Taxation

The Company, being the holder of Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%.

The Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

Capital gains are outside the scope of the Mauritian tax while trading profits made by the Company from the sale of shares are exempt from tax. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax. The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritian tax laws.

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

	2025	2024
	USD	USD
Loss before tax	**(574,094)**	(784,455)
Tax at 3%	**(17,223)**	(23,564)
Non-allowable expenses	**109,896**	122,892
Exempt income	**(92,121)**	(95,080)
Tax loss utilied	**(552)**	(4,248)
Tax expense	**-**	-

Reconciliation of effective tax rate

	2025	2024
	USD	USD
Up to year ending:		
31-Mar-24	**-**	302,868
31-Mar-25	**-**	152,974
31-Mar-26	**455,095**	455,095
31-Mar-27	**536,265**	536,265
31-Mar-28	**172,209**	172,209
31-Mar-29	**-**	(142,062)
31-Mar-30	**18,402**	-
	1,181,971	1,477,349

Deferred taxation

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%. No provision for deferred tax asset has been recognised as no taxable income is probable in the foreseeable future.

19 Related party transactions

During the year ended 31 March 2025, the Company had transactions with related entities. The nature, volume of transactions and balances with related parties are as follows.

Name of related party	Nature of Relationship	Nature of transactions	Volume of transactions 2025	Volume of transactions 2024	Debit/ (Credit) balances at 31-Mar 2025 USD	Debit/ (Credit) balances at 31-Mar 2024 USD
Thomas Cook (India) Limited	Holding company	Borrowings	**(1,012,978)**	336,164	**(55,982,247)**	(54,969,269)
Thomas Cook (Mauritius) Holding Company Limited	Holding company	Borrowings	**(724,027)**	(37,153)	**(1,422,876)**	(698,849)
Asian Trails Holdings Ltd	Subsidiary	Loans	**1,503,854**	2,188,061	**29,590,623**	28,086,769
DEI Holdings Limited	Subsidiary	Loans	**(1,114,248)**	(3,211,833)	**17,335,003**	18,449,251
Desert Adventures Tourism LLC	Subsidiary	Loans	**-**	(3,712,154)	**-**	-
Kuoni Australia Holding Pty. Ltd	Subsidiary	Loans	**459,247**	118,112	**7,221,649**	6,762,402
Private Safaris Africa	Subsidiary	Loans	**(374,811)**	(260,092)	**809,036**	1,183,847
Horizon Travel Services	Subsidiary	Interest receivable	**(298,249)**	(1,139,217)	**416,769**	715,018
Thomas Cook (Mauritius) Holding Company Limited	Holding company	Payables	**11,183**	77,485	**(64,952)**	(76,135)
SOTC Travel Limited	Holding company	OCRPS	**-**	-	**(11,600,000)**	(11,600,000)
Thomas Cook (India) Limited	Holding company	OCRPS	**-**	-	**(14,310,000)**	(14,310,000)

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

20 Reconciliation of liabilities arising from financing activities

2025	**At 01 April 2024 USD**	**Cash flows USD**	**Non-cash flows USD**	**At 31 March 2025 USD**
Loans from related parties	**55,668,118**	**1,737,004**	**-**	**57,405,122**
Total	**55,668,118**	**1,737,004**	**-**	**57,405,122**

2024	At 01 April 2023 USD	Cash flows USD	Non-cash flows USD	At 31 March 2024 USD
Loans from related parties	56,330,227	(662,109)	-	55,668,118
Loan from banks	5,012,896	(5,012,896)	-	-
Total	61,343,123	(5,675,005)	-	55,668,118

21 Holding companies

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

22 Events after reporting date

There has been no significant event after the reporting date which requires disclosures or amendments to the financial statements.

Reem Tours & Travels LLC

Financial Statements (Management)

31 December 2024

Reem Tours & Travels LLC

Statement of financial position

As at 31 December 2024

	31 December 2024 AED	31 December 2023 AED
Current assets		
Cash and cash equivalents	**608,868**	-
Non-Interest Bearing Financial Assets	**-**	-
Due from Related Party – Desert Adventures	**-**	608,868
Total current assets	**608,868**	608,868
Total assets	**608,868**	608,868
Equity and liabilities		
Equity		
Share capital	**300,000**	300,000
Statutory reserve	**150,000**	150,000
Retained earnings	**158,868**	158,868
Total equity	**608,868**	608,868
Total equity and liabilities	**608,868**	608,868

Salim Sikander
Head of Finance

Peter Payet
CEO

Note: There is no Profit and Loss account from Jan 1, 2012 as the business of Reem Tours and Travels LLC has been integrated into Desert Adventures Tourism LLC.

The notes on page 2-4 are an integral part of these financial statements.

Reem Tours & Travels LLC

Notes
(forming part of the financial statements)

1 Reporting entity

Reem Tours & Travels LLC is a limited liability company registered with the Department of Economic Development, Government of Dubai.

The registered office of the Reem Tours & Travels LLC is P.O. Box No. 6655, Dubai, United Arab Emirates.

The authorised and fully paid up share capital of the Company is U.A.E. Dirham 300,000 divided into 100 shares of U.A.E. Dirham AED 3,000.

SHARE HOLDINGS

During the year, UAE Government amended the federal Commercial Companies Law, granting foreign investors full ownership of limited liability company. As a result, on 21st July 2022, the shareholding structure of the company was changed. Ahmad Abdulaziz Abdulla Almannei sold his 51% shares, transferring ownership to Travel Circle International (Mauritius) Limited. Consequently, the company transformed into a single owner entity, with Travel Circle International (Mauritius) Limited now holding 100% of the shares.

Below is the shareholding pattern of the Company before 21 July 2022:

Name	% holding
Ahmad Abdulaziz Abdulla Almannei	51
Travel Circle International (Mauritius) Limited ("the holding company")*	49

2) Basis of accounting

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the preparation requirements of the UAE Federal Law No. (2) of 2015.

b) Basis of measurement

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

c) Functional and presentation currency

The financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional currency.

d) Use of estimates and judgments

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

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

3(a) Changes in significant accounting policies

The Company has initially applied IFRS 15 and IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have any material effect on the Company's financial statements.

Application of IFRS-9 and IFRS-15 did not have any material financial impact on the Company's financial statements.

3(a).2 *IFRS 9 Financial Instruments*

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted the consequential amendments to IAS 1 Presentation of Financial Statements, which require the charge for impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in administrative and general expenses.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss account (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The application of IFRS 9 has not had any material financial impact effect on the Company's financial statements.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 did not have any material financial impact on the allowance for impairment.

Transition

Changes if any, in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively.

3(b) Significant accounting policies

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

Financial instruments
Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

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

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

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

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

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

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

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

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Policy applicable from 1 January 2018 (continued)

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

Financial assets – Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

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

Financial assets – Policy applicable prior to 1 January 2018

The Company has classified its financial assets into one of the following categories:

- loans and receivables;
- held to maturity;
- available for sale; and
- at FVTPL, and within this category as:
    - held for trading;
    - derivative hedging instruments; or
    - designated as at FVTPL.

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses: Policy applicable prior to 1 January 2018 (continued)

Financial assets at FVTPL	Measured at fair value and changes therein, including any interest or dividend income, were recognized in profit or loss.
Held-to-maturity financial assets	Measured at amortized cost using the effective interest method.
Loans and receivables	Measured at amortized cost using the effective interest method.
Available-for-sale financial assets	Measured at fair value and changes therein, other than impairment losses, interest income and foreign currency differences on debt instruments, were recognized in OCI and accumulated in the fair value reserve. When these assets were derecognized, the gain or loss accumulated in equity was reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

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

3(b) Significant accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities(continued)

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

Offsetting

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

Impairment

Non-derivative financial assets - Policy applicable from 1 January 2018

Financial instruments

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

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

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

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

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

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

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Financial instruments (continued)

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Financial instruments (continued)

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

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

Financial assets measured at amortized cost

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

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

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

3(b) Significant accounting policies (continued)

Impairment (continued)

Non-derivative financial assets - Policy applicable from 1 January 2018 (continued)

Non-financial assets

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

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

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

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

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

Impairment losses are recognized in profit or loss.

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

Gulf Dunes LLC

Financial statements

31 December 2024

Gulf Dunes LLC

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Directors' Report

The directors submit their report together with the audited financial statements of **Gulf Dunes LLC** for the year ended 31st December 2024.

LEGAL STATUS

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

The principal activity of the Company organizing and managing Meetings, Incentives, Conferences, and Events (MICE). The Company started its operations in May 1995.

The registered office of the Gulf Dunes LLC, Dubai is P.O. Box no. 124174, Dubai, United Arab Emirates.

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

SHARE HOLDINGS

The shareholding pattern of the Company as at 31st December 2024 and 31st December 2023 is as follows:

Name of the shareholder	**Shareholding %**
Travel Circle International (Mauritius) Limited	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2024 and 31st December 2023 are stated below:

Financial highlights	**2024 AED**	2023 AED
Net profit/(loss)	**1,366,040**	(828,664)
Total equity	**(4,546,589)**	(5,912,629)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG was appointed as the independent auditor for the year ended 31 December 2024. The firm is eligible for reappointment for the financial year 2025 and has expressed its willingness to continue in office. The Director recommends the reappointment of KPMG as the Company's auditor for the year ending 31 December 2025.

On behalf of the Board

Peter Payet
Chief Executive Officer

Salim Sikander
Chief Financial Officer

Date: 11 July 2025

KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent auditors' report

To the Shareholder of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 December 2024:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 1 to the financial statements, the Company has not purchased any shares during the year ended 31 December 2024;

vi) note 12 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 22 JUL 2025

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	**2024**	2023
		AED	AED
Revenue	*6*	**26,514,765**	13,266,227
Direct costs	*7*	**(20,422,880)**	(10,110,196)
Gross profit		**6,091,885**	3,156,031
Administrative and general expenses	*8.1*	**(4,870,612)**	(4,073,544)
Other income	*8.2*	**-**	22,468
Finance income	*9*	**244,332**	66,381
Profit/(Loss) Before Tax		**1,465,605**	(828,664)
Income tax expense	*19*	**(99,565)**	-
Profit/(Loss) After Tax		**1,366,040**	(828,664)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**1,366,040**	(828,664)

The notes on pages 10 to 34 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of financial position

As at 31 December 2024

	Notes	**2024**	2023
		AED	AED
Assets			
Property and equipment	*10*	**42,168**	11,765
Right-of-use asset	*18*	**74,501**	149,002
		---------	---------
Non-current assets		**116,669**	160,767
		---------	---------
Trade and other receivables	*11*	**30,638,333**	2,655,949
Due from related parties	*12*	**6,303,024**	-
Cash and cash equivalents	*17*	**1,587,002**	684,686
		------------	------------
Current assets		**38,528,359**	3,340,635
		------------	------------
Total assets		**38,645,028**	3,501,402
		=======	=======
Equity and Liabilities			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*16*	**150,000**	150,000
Accumulated losses		**(4,996,589)**	(6,362,629)
		-------------	-------------
Total equity		**(4,546,589)**	(5,912,629)
		-------------	-------------
Liabilities			
Lease Liability - Non current	*18*	**-**	83,102
Employees' end of service benefits	*14*	**333,743**	229,180
		----------	----------
Non-current liabilities		**333,743**	312,282
		----------	----------
Trade and other payables	*13*	**1,938,074**	1,740,867
Contract liability	*13*	**40,064,999**	5,601,191
Due to related parties	*12*	**771,700**	1,685,388
Lease liability – current	*18*	**83,102**	74,303
		------------	------------
Current liabilities		**42,857,874**	9,101,749
		------------	------------
Total liabilities		**43,191,617**	9,414,031
		------------	------------
Total equity and liabilities		**38,645,028**	3,501,402
		=======	=======

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2024. These financial statements were authorized for issue on behalf of the Company's shareholders on 11 July 2025.

Peter Payet
Chief Executive Officer

Salim Sikander
Chief Financial Officer

The notes on pages 10 to 34 are an integral part of these financial statements.
The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of cash flows
For the year ended 31 December

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit/(Loss) for the year		**1,366,040**	(828,664)
Adjustments for:			
Depreciation and amortization	*8.1,10*	**6,572**	5,982
Depreciation on right-of-use assets	*8.1,18*	**74,501**	74,501
Allowance for expected credit loss	*8.1*	**0**	67,798
Provision for employees' end of service benefits	*14*	**107,163**	93,200
Interest expense on lease liability	*9,18*	**6,997**	11,950
Tax expense	*19*	**99,565**	-
		1,660,838	(575,233)
Changes in:			
- trade and other receivables		**(27,982,384)**	(1,471,462)
- due from related party		**(6,303,024)**	-
- due to related parties		**(913,688)**	(3,175,498)
- trade and other payables		**97,641**	270,992
- Contract liability		**34,463,808**	5,217,406
Payment of employees' end of service benefits	*14*	**(2,600)**	(11,747)
Net cash from operating activities		**1,020,591**	254,458
Cash flows from investing activity			
Acquisition of property and equipment	*10*	**(36,975)**	(7,973)
Net cash (used in) investing activity		**(36,975)**	(7,973)
Cash flows from financing activity			
Interest paid during the year	*18*	**(6,997)**	(11,950)
Payment of lease liabilities	*18*	**(74,303)**	(66,098)
Cash used in financing activity		**(81,300)**	(78,048)
Net decrease in cash and cash equivalents		**902,316**	168,437
Cash and cash equivalents at the beginning of the year		**684,686**	516,249
Cash and cash equivalents at end of the year	*17*	**1,587,002**	684,686

The notes on pages 10 to 34 are an integral part of these financial statements.

The independent auditors' report is set out on pages 2 - 5.

Gulf Dunes LLC

Statement of changes in equity
For the year ended 31 December

	Share capital AED	Statutory reserve AED	Accumulated Losses AED	Total AED
Balance at 1 January 2023	300,000	150,000	(5,533,965)	(5,083,965)
Total comprehensive income for the year				
(Loss) for the year	-	-	(828,664)	(828,664)
Balance at 31 December 2023	300,000	150,000	(6,362,629)	(5,912,629)
Balance at 1 January 2024	300,000	150,000	(6,362,629)	(5,912,629)
Total comprehensive income for the year				
(Loss) for the year	-	-	1,366,040	1,366,040
Balance at 31 December 2024	300,000	150,000	(4,996,589)	(4,546,589)

The notes on pages 10 to 34 are an integral part of these financial statements.

1 Reporting entity

Gulf Dunes LLC, Dubai is a limited liability Company (''the Company'') registered with the Department of Economy and Tourism, Government of Dubai under commercial license number 237864. The principle business activity of the Company is organizing and managing incentive trips, conferences and meetings for groups.

The shareholding pattern of the Company as at 31st December 2024 and 31st December 2023 is as follows:

Name of the shareholder	Shareholding %
Travel Circle International (Mauritius) Limited ("the Holding Company")	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

The registered office of the Gulf Dunes LLC, Dubai is P.O. Box no. 124174, Dubai, United Arab Emirates.

The Company did not purchase any shares during the year.

2 Basis of preparation

a) Going concern

During the year ended 31 December 2024, the Company has net current liabilities of AED 4,329,515 (2023: AED 5,761,114) and net liabilities of AED 4,546,589 (2023: AED 5,912,629). As at 31 December 2024, the accumulated losses of the Company, amounted to AED 4,996,589 (2023: AED 6,362,629), exceed more than 50% of the share capital. Article 308 of the UAE Federal Decree Law no. 32 of 2021 for commercial states that if the losses of a limited liability company reach half the share capital, the Management of the Company shall refer to the shareholders the issue of dissolution. These factors indicate that the Company ability to continue as a going concern is dependent upon the continued financial support of the Holding company. The Holding company have provided an undertaking that it will provide the necessary financial support to the Company to enable it to meet its obligation for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

b) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standard Board (IASB) and the applicable provision of UAE Federal Decree Law no. 32 of 2021.

c) Basis of measurement

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

d) Functional and presentation currency

These financial statements are presented in UAE Dirham ("AED"), which is the Company's functional currency.

2 Basis of preparation (continued)

e) Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognised in these financial statements are described in note 23.

f) Changes in material accounting policies

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in accounting policy for the classification of liabilities that can be settled in a Company's entity's own shares. Previously, the Company ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of a Company entity's own shares, the Company takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under IAS 32. The Company's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the Company had no convertiable notes as at 31 December 2023.

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Revenue from contract with customers

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

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

3 Material accounting policies (continued)

Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses:

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

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

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

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

Offsetting

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

3 Material accounting policies (continued)

Foreign currency transactions

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

Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any).
If significant part of an item of property and equipment have different useful lives, then they are accounted for as items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value and is recognised in profit or loss. Depreciation on additions is calculated on a pro-rata basis from the day of addition and on disposal up to and including the month of disposal of the asset. The estimated useful lives of property and equipment for current and comparative period are as follows:

	Years
Motor vehicles	4
Furniture, fixtures and office equipment	2 to 5
Leasehold improvements	10

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

Non-derivative financial assets

Financial instruments

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

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

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECL in the statement of financial position

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

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Presentation of allowance for ECL in the statement of financial position (continued)

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

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

Financial assets measured at amortized cost

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

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

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

Non-financial assets

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

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

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Write-off

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

Provisions

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

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Share capital

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

3 Material accounting policies (continued)

Leases

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

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

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

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

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3 Material accounting policies (continued)

Leases (continued)

As a lessee (continued)

Short-term leases and leases of low-value assets

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

Contract liability

A contract liability is an entity's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer.

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no

3 Material accounting policies (continued)

Income tax (continued)

Deferred tax (continued)

longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

4 New standards or amendments and forthcoming requirements

A number of new standards are effective for annual periods beginning after 01 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

• Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
• Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.
— Lack of Exchangeability (Amendments to IAS 21).
— Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

4 New standards or amendments and forthcoming requirements (continued)

The following are the new currently effective requirements for annual periods beginning on 01 January 2024, which did not have a significant impact of the Company's financial statements:

• Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (noncurrent liability with covenants)
• Amendments to IFRS 16 Leases– Lease liability in a sale and leaseback
• Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 January 2024 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7	*1 January 2026*
IFRS 18 – Presentation and Disclosure in Financial Statements	*1 January 2027*
IFRS 19 – Subsidiaries without Public Accountability Disclosures	*1 January 2027*
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 23	*Optional*

5 Financial risk management

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

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

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included in note 21 of these financial statements.

Risk management framework

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

5 Financial risk management *(Continued)*

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash at bank and trade and other receivables (excluding prepayments and advances to suppliers). The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

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

Liquidity risk

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

Market risk

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

Currency risk

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

Market risk (continued)

Interest rate risk

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

5 Financial risk management *(Continued)*

Other market price risk

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

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. The Company is not subject to externally imposed capital requirements.

6 Revenue

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

	2024 **AED**	2023 AED
Tourism and related services	**26,514,765**	13,266,227
	26,514,765	13,266,227
Geographical markets		
United Arab Emirates	**26,514,765**	13,266,227
Timing of revenue recognition		
Revenue recognized at a point in time	**26,514,765**	13,266,227

7 Direct Costs

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

	2024 **AED**	2023 AED
Tourism and related services	**20,422,880**	10,110,196
	20,422,880	10,110,196

8.1 Administrative and general expenses

	2024	2023
	AED	AED
Staff salaries and benefits	**3,660,963**	2,939,684
Business promotion expenses	**462,658**	302,406
Overseas representative office charges	**359,384**	400,760
Depreciation on right-of-use assets	**74,501**	74,501
Communication expense	**36,023**	28,809
Bank charges	**30,712**	28,338
Legal and professional charges	**141,538**	114,369
Rent expense	**10,840**	10,840
Depreciation	**6,572**	5,982
Allowance for expected credit loss	**-**	67,798
Other expenses	**87,421**	100,057
	4,870,612	4,073,544

8.2 Other income

	2024	2023
	AED	AED
Other Income	**-**	22,468
	-	22,468

9 Finance income

	2024	2023
	AED	AED
Foreign exchange gain	**200,871**	78,331
Interest Income	**50,458**	-
Interest expense on lease liability	**(6,997)**	(11,950)
	244,332	66,381

10 Property and equipment

	Motor vehicles AED	Furniture, fixtures and office equipment AED	Leasehold improvements AED	Total AED
Cost				
Balance as at 1 January 2023	-	259,730	25,000	284,730
Addition during the year	-	7,973	-	7,973
Balance as at 31 December 2023	-	267,703	25,000	292,703
Balance as at 1 January 2024	-	267,703	25,000	292,703
Addition during the year	-	11,928	25,047	36,975
Balance as at 31 December 2024	**-**	**279,631**	**50,047**	**329,678**
Depreciation				
Balance as at 1 January 2023	-	249,956	25,000	274,956
Charge for the year		5,982	-	5,982
Balance as at 31 December 2023	-	255,938	25,000	280,938
Balance as at 1 January 2024	-	255,938	25,000	280,938
Charge for the year	-	6,363	209	6,572
Balance as at 31 December 2024	**-**	**262,301**	**25,209**	**287,510**
Net book value				
At 31 December 2024	**-**	**17,330**	**24,839**	**42,168**
At 31 December 2023	-	11,765	-	11,765

11 Trade and other receivables

	2024 AED	2023 AED
Trade receivables	**1,543,603**	1,497,560
Provision for impairment loss on trade receivables	**(91,372)**	(91,372)
	1,452,231	1,406,188
Prepayments	**145,368**	88,323
Deposits and other receivables	**240,986**	240,986
Advances to suppliers & others	**28,799,748**	920,452
	30,638,333	2,655,949

12 Related parties

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. Significant related party transactions during the year ended 31 December 2024 and 31 December 2023 were as follows:

	Relationship	2024 AED	2023 AED
Interest income	Affiliate Company	**50,458**	-
Direct Costs	Affiliate Company	**8,500,000**	4,000,000

Due from related parties

	Relationship	2024 AED	2023 AED
Desert Adventures Tourism LLC*	Affiliate Company	**6,303,024**	-
		6,303,024	-

*Outstanding balances at the year-end are unsecured and settlement occurs in cash and arise in normal course of business. The amount due from the Desert Adventure Tourism LLC is subject to interest rate of 9.82%. There have been no guarantees provided or received for any related party receivables. For the period ended 31 December 2024, the Company has not recorded any allowance for expect credit losses of amounts owed by related parties.

Due to related parties

	Relationship	2024 AED	2023 AED
Gulf Dunes Tourism LLC – Oman	Affiliate Company	**771,700**	861,482
Desert Adventures Tourism LLC	Affiliate Company	**-**	823,906
		771,700	1,685,388

Below is the detail of Key management personnel compensation:

Key management personnel compensation

	2024 AED	2023 AED
Short term employee benefits	**566,428**	591,215
Post-employment benefits	**24,675**	34,824

13 Trade and other payables

	2024 AED	2023 AED
Trade payables	**506,839**	775,484
Accruals and other payables	**1,431,235**	965,383
Contract liability	**40,064,999**	5,601,191
	42,003,073	7,342,058
Less: Contract liability*	**(40,064,999)**	(5,601,191)
	1,938,074	1,740,867

*The contract liabilities primarily relate to the advance consideration received from customers for the services, for which revenue is recognized over time.

14 Employees' end of service benefits

	2024 AED	2023 AED
Balance at 01 January	**229,180**	147,727
Provision during the year	**107,163**	93,200
Payments made during the year	**(2,600)**	(11,747)
Balance at 31 December	**333,743**	229,180

15 Share capital

	2024 AED	2023 AED
Authorised, issued and fully paid-up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Statutory reserves

In accordance with UAE Federal Law No. 32 of 2021, a minimum of 5% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. During the year no transfers were made to this reserve as the amount of the reserve has reached to the threshold (2023: AED Nil).

17 Cash and cash equivalents

	2024 AED	2023 AED
Cash in hand	**4,366**	3,900
Cash at bank	**1,582,636**	680,786
	1,587,002	684,686

18 Leases

(a) The statement of financial position shows the following amounts relating to leases:

	2024 AED	2023 AED
Right of use asset		
Office premises	**-**	149,002
Lease liability		
Current	**83,102**	74,303
Non-current	**-**	83,102
	83,102	157,405

(b) The movement of right-of-use asset and lease liability during the period is given below:

	2024 AED	2023 AED
Right of use asset		
At 01 January	**149,002**	-
Addition during the period	**-**	223,503
Depreciation for the period	**(74,501)**	(74,501)
At 31 December	**74,501**	149,002
Lease liability		
At 01 January	**157,405**	-
Addition during the period	**-**	223,503
Interest expense charged to finance costs	**6,997**	11,950
Repayment of lease liability	**(81,300)**	(78,048)
At 31 December	**83,102**	157,405

(c) Amounts recognised in the statement of profit or loss:

	2024 AED	2023 AED
Depreciation on Right-of-use asset	**74,501**	74,501
Finance cost	**6,997**	11,950
	81,498	86,451

(d) Amounts recognised in the statement of cash flows:

	2024 AED	2023 AED
Principal payment	**74,303**	66,098
Add: Finance cost paid	**6,997**	11,950
Total lease payments	**81,300**	78,048

18 Leases

(e) Maturity analysis of lease liabilities, showing un-discounted lease payments to be paid after the reporting date and related unwinding of finance cost is given below:

	As at 31 December 2024		
	Future minimum lease payments AED	**Unwinding of finance cost AED**	**Present value of minimum lease payments AED**
Less than one year	84,314	1,212	83,102
	84,314	1,212	83,102

19 Income tax expense

	2024 AED	**Effective tax rate**
Current tax expense	**99,565**	**-**
Reconciliation of effective tax rate		
Profit before tax	**1,465,605**	
Tax using the Company base tax rate	**131,904**	**9.00%**
Tax effect of:		
Add: Non-deductible Expenditure	**1,411**	**0.10%**
Less: Threshold exemption	**(33,750)**	**(2.30%)**
Tax expense for the year	**99,565**	**6.80%**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“the CT Law”) to enact a Federal corporate tax (“CT”) regime in the UAE. The CT Law is effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income as AED 375,000, over which a corporate tax of 9% would apply. The CT Law is now enacted, and based on this the Company has accounted for current taxes on its financial statements and has elected to apply the ‘realization basis’ for recognizing gains and losses on all assets and liabilities.

20 Contingencies and commitments

There are no capital commitments and contingent liabilities of the Company as at 31 December 2024 (31 December 2023: AED Nil).

21 Financial instruments

Credit risk

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

21 Financial instruments (continued)

Credit risk (continued)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

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

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

	2024	2023
	AED	AED
Trade and other receivables (excluding prepayments and advances to suppliers)	**1,693,217**	1,647,174
Due from related party	**6,303,024**	-
Cash at bank	**1,582,636**	680,786
	9,578,877	2,327,960

The aging of trade receivables at the reporting date was:

	31 December 2024		31 December 2023	
	Gross	**Provision**	Gross	Provision
	AED	**AED**	AED	AED
Not due	1,452,231	-	1,406,188	-
Over 90 days past due	91,372	91,372	91,372	91,372
	1,543,603	91,372	1,497,560	91,372

The movement in the impairment loss for trade receivables is as follows:

	2024	2023
	AED	AED
At 1 January	**91,372**	23,574
Charge during the year	-	67,798
At 31 December	**91,372**	91,372

21 Financial instruments *(continued)*

Credit risk (continued)

At 31 December 2023, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	2024	2023
	AED	AED
Geographical regions		
Europe	**803,675**	18,759
Commonwealth of Independent States	**119,217**	110,264
Middle east and others	**620,711**	1,368,537
	----------	----------
Grand total	**1,543,603**	1,497,560
	======	======

Cash at Banks

The Company held cash at banks of AED 1,582,636 at 31 December 2024 (2023: AED 680,786). The cash at banks are held with banks, which are rated A1 to A3, based on Mood's ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Other receivables

The company's exposure to credit risk on other receivable from third parties influence mainly by the individual characteristics of each party. Other receivable as at 31 December 2024 include deposits and other receivable of AED 240,986 (2023: AED 240,986) for which management believes that there is no significant credit risk associated at reporting date.

Due from related parties

For receivables from related parties, the Company as determined Probability of Debt (PD) that is applicable for outstanding related party receivables PD has been determined in accordance with Moody's PD rating scale by considering external credit ratings and adjusting the PDs so determined for macroeconomic factors. The Company has also considered a standard Loss Given Default (LGD) percentage of 45% for all unsecured outstanding exposures in accordance with foundation approach of Basel guidelines in the absence of the Group's historical experience. The Company does not require collateral in respect of its amount due from a related party. The Company does not have amounts for which no loss allowance is recognized because of collateral. At the reporting date there was no significant concentrations of credit risk.

Liquidity risk

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

21 Financial instruments *(continued)*

Liquidity risk (continued)

expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows. The following are the contractual maturities of financial liability based on contractual undiscounted payments including interest payment and excluding impact of netting:

31 December 2024

	Carrying Amount AED	Contractual cash outflows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	1,938,074	1,938,074	1,938,074	-
Lease liability	83,102	84,314	84,314	-
Due to related parties	771,700	771,700	771,700	-
	2,792,876	**2,794,088**	**2,794,088**	**-**

31 December 2023

	Carrying Amount AED	Contractual cash outflows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables (excluding advances from customers)	1,740,867	1,740,867	1,740,867	-
Lease liability	157,405	165,852	81,300	84,552
Due to related parties	1,685,388	1,685,388	1,685,388	-
	3,583,660	3,592,107	3,507,555	84,552

Market risk

Foreign exchange risk

The Company has no significant exposure to foreign currency risk as the transactions in foreign currencies (if any) are mainly made in USD which is informally pegged to AED.

Interest rate risk

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

Fair values

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

22 Fair value hierarchy

The Company does not have financial instruments which are measured at fair value as at the reporting date. Accordingly, the fair value hierarchy disclosures are not applicable to the Company.

23 Significant accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the critical accounting estimates and judgments used by management in the preparation of these financial statements:

Impairment losses on trade receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 21.

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

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

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

24 Comparatives

Certain comparative figures have been reclassified to conform to the presentation adopted in these financial statements. These reclassifications do not impact on profit, assets and equity.

25 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization of the financial statement, which would have a material effect on the financial statements.

Gulf Dunes LLC

Financial statements
31 December 2024

Gulf Dunes LLC

Financial statements
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Directors' Report

The directors submit their report together with the audited financial statements of Gulf Dunes LLC for the year ended 31 December 2024.

LEGAL STATUS

Gulf Dunes LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in the Sultanate of Oman on May 01, 2001, under the commercial registration no. 1684345.

The Company's 70% shares are held by Gulf Dunes LLC, Dubai, UAE for the beneficial interest of Travel Circle International Ltd. ("the Parent Company") and 30% by Hani Juma'an Ashoor Al Rajab. The Ultimate Parent of the Company is Fairfax Financial Holdings Limited ("the Ultimate Parent Company and Ultimate Controlling Party"), a company registered in Toronto, Ontario, Canada.

The main business activity of the Company is organizing of conventions, conferences and meeting for groups, management of lounges and carry out tour operator activities in Sultanate of Oman.

The registered office of Gulf Dunes LLC is P.O. Box no. 6655, Muscat, Sultanate of Oman.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2024 and 31st December 2023 are stated below:

Financial highlights	**2024 OMR**	2023 OMR
Net (loss)	(9,955)	(9,319)
Total equity	84,938	94,893

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG LLC was appointed as the independent auditor for the year ended 31 December 2024. The firm is eligible for reappointment for the financial year 2025 and has expressed its willingness to continue in office. The Director recommends the reappointment of KPMG LLC as the Company's auditor for the year ending 31 December 2025.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 29 April 2025

KPMG LLC
Children's Public Library Building
4th Floor, Shatti Al Qurum
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Sultanate of Oman
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Independent auditors' report

To the Shareholders of Gulf Dunes LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Dunes LLC ("the Company"), which comprise the statement of financial position as at December 31, 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

KPMG

30 April 2025 KPMG LLC

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

Gulf Dunes LLC

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Notes	**2024** **OMR**	2023 OMR
Revenue	*5*	**1,935**	28,072
Direct costs	*6*	**(1,910)**	(22,339)
Gross profit		**25**	5,733
Administrative and general expenses	*7*	**(11,304)**	(13,238)
(Loss) before tax		**(11,279)**	(7,505)
Tax reversal/(expense)	*14*	**1,324**	(1,814)
(Loss) for the year		**(9,955)**	(9,319)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(9,955)**	(9,319)

The notes on pages 9 to 25 are an integral part of these financial statements.

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

Gulf Dunes LLC

Statement of financial position
As at 31 December 2024

	Notes	2024 OMR	2023 OM
Assets			
Trade and other receivables	*8*	**2,107**	3,379
Due from a related party	*9*	**80,898**	90,245
Cash at bank	*13*	**7,382**	7,391
Current assets		**90,387**	101,015
Total assets		**90,387**	101,015
Equity and liabilities			
Equity			
Share capital	*11*	**150,000**	150,000
Statutory reserve	*12*	**5,201**	5,201
Accumulated losses		**(70,263)**	(60,308)
Total equity		**84,938**	94,893
Liabilities			
Trade and other payables	*10*	**141**	6,122
Due to a related party	*9*	**5,308**	-
Current liabilities		**5,449**	6,122
Total liabilities		**5,449**	6,122
Total equity and liabilities		**90,387**	101,015

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2024.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2025:

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 9 to 25 are an integral part of these financial statements.

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

Gulf Dunes LLC

Statement of cash flows

For the year ended 31 December 2024

	Notes	2024 OMR	2023 OMR
Cash flows from operating activities			
(Loss) for the year		**(9,955)**	(9,319)
Adjustments for:			
Tax (reversal)/expense	*14*	**(1,324)**	1,814
		(11,279)	(7,505)
Changes in:			
- trade and other receivables		**1,272**	4,894
- due from related parties		**9,347**	49,787
- trade and other payables		**(4,167)**	(17,481)
- due to related parties		**5,308**	(27,667)
Cash from operating activities		**481**	2,028
Tax paid		**(490)**	-
Net cash from operating activities		**(9)**	-
Net increase in cash and cash equivalents		**(9)**	2,028
Cash and cash equivalents at beginning of the year		**7,391**	5,363
Cash and cash equivalents at end of the year	*13*	**7,382**	7,391

The notes on pages 9 to 25 are an integral part of these financial statements.

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

Gulf Dunes LLC

Statement of changes in equity
For the year ended 31 December 2024

	Share Capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2023	150,000	5,201	(50,989)	104,212
(Loss) for the year	-	-	(9,319)	(9,319)
At 31 December 2023	150,000	5,201	(60,308)	94,893
At 1 January 2024	**150,000**	**5,201**	**(60,308)**	**94,893**
(Loss) for the year	-	-	(9,955)	(9,955)
At 31 December 2024	**150,000**	**5,201**	**(70,263)**	**84,938**

The notes on pages 9 to 25 form an integral part of these financial statements.

1 Reporting entity

Gulf Dunes LLC ("the Company") is a limited liability company registered with the Ministry of Commerce and Industry in the Sultanate of Oman on May 01, 2001, under the commercial registration no. 1684345.

The Company's 70% shares are held by Gulf Dunes LLC, Dubai, UAE for the beneficial interest of Travel Circle International Ltd. ("the Parent Company") and 30% by Hani Juma'an Ashoor Al Rajab. The Ultimate Parent of the Company is Fairfax Financial Holdings Limited ("the Ultimate Parent Company and Ultimate Controlling Party"), a company registered in Toronto, Ontario, Canada.

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

The main business activity of the Company is organizing of conventions, conferences and meeting for groups, management of lounges and carry out tour operator activities in Sultanate of Oman. The registered office of Gulf Dunes LLC is P.O. Box no. 6655, Muscat, Sultanate of Oman.

2 Basis of accounting

a) Statement of compliance

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

b) Basis of measurement

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

c) Functional and presentation currency

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

d) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements made by management in the application of IFRS does not have any significant effect on the financial statements and there is no management estimates which could have a significant risk of material adjustment in the future years.

e) Going concern

During the year ended 31 December 2024, the Company incurred a loss after tax of OMR 9,955 *(31 December 2023: OMR 9,319)* and as at 31 December 2024 its accumulated losses amounted to OMR 70,263 (2023: accumulated losses OMR 60,308). The Company's ability to continue as a going concern is dependent on the continued financial support from its Parent Company and the expectation of future profitable operations. The Parent Company has issued a letter of support, confirming its commitment to provide the necessary financial assistance to enable the Company to meet its working capital requirements in the foreseeable future.

2 Basis of accounting (continued)

e) Going concern (continued)

Accordingly, the accompanying financial statements have been prepared on a going concern basis and do not include any adjustments that might be required if the Company were unable to continue as a going concern.

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Revenue from contract with customers

The Company renders a wide range of tourism and related services (hotel bookings, transport and visa services, excursion and travel related services) to groups. Revenue from rendering these services is recognized in the profit or loss when it transfers control over a service to a customer. This is generally the case on the date of arrival. Any expected discounts to the customers are estimated and are netted off against transaction price as per the requirements of the accounting standard.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses:

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

3 Material accounting policies (continued)

Financial instruments (continued)

Derecognition (continued)

Financial liabilities

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

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

Offsetting

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

Provisions

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

Employees' end of service benefits

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

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

Share capital

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

Foreign currency transactions

Transactions in foreign currencies are translated to OMR and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to OMR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are

3 Material accounting policies (continued)

Foreign currency transactions (continued)

translated into RO using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Tax

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

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

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

Impairment

Non-derivative financial assets

Financial instruments

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

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

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

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

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

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

3 Material accounting policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

Non-financial assets

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

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

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

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

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

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

Impairment losses are recognized in profit or loss.

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

Write-off

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

Leases

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

a) The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct asset or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
c) The Company has the right to direct the use of the asset. The Company has this right when it has the decision -making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

3 Material accounting policies (continued)

Leases (continued)

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

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

Right of use asset

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

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

Lease liability

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

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

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

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

3 Material accounting policies (continued)

Leases (continued)

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

Short-term leases and leases of low-value assets

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

New standards or amendments and forthcoming requirements

A number of new standards are effective for annual periods beginning after 01 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

• Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
• Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

b) Other accounting standards

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

— Lack of Exchangeability (Amendments to IAS 21).

— Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

3 Material accounting policies (continued)

New standards or amendments and forthcoming requirements (continued)

The following are the new currently effective requirements for annual periods beginning on 01 January 2024, which did not have a significant impact of the Company's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (noncurrent liability with covenants)

- Amendments to IFRS 16 Leases– Lease liability in a sale and leaseback

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 January 2024 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7	*1 January 2026*
IFRS 18 – Presentation and Disclosure in Financial Statements	*1 January 2027*
IFRS 19 – Subsidiaries without Public Accountability Disclosures	*1 January 2027*
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 23	*Optional*

4 Financial risk management

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

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

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk, and the Company’s management of capital. Further quantitative disclosures are included on note 17 of these financial statements.

4 Financial risk management (continued)

Risk management framework

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

Credit risk

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

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

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

Liquidity risk

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

Market risk

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

Currency risk

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

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

4 Financial risk management *(continued)*

Market risk *(continued)*

Other market price risk

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

Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital structure to reduce the cost of capital. Capital requirements are prescribed by the Commercial Companies Law of 2019.

5 Revenue

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

	2024 OMR	2023 OMR
Tourism and related services	**1,935**	28,072
	1,935	28,072
Geographical markets		
Oman	**1,935**	28,072
Timing of revenue recognition		
Revenue recognized at a point in time	**1,935**	28,072

6 Direct costs

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

	2024 OMR	2023 OMR
Tourism and related services	**1,910**	22,339
	1,910	22,339

7 Administrative and general expenses

	2024	2023
	OMR	OMR
Staff salaries and benefits	**1,124**	-
Sponsorship fees	**6,286**	6,285
Legal and professional charges	**703**	4,405
Business promotion	**2,719**	2,323
Miscellaneous expenses	**472**	225
	11,304	13,238

8 Trade and other receivables

	2024	2023
	OMR	OMR
Prepayments	**1,869**	3,144
Advance to supplier	**235**	235
VAT receivable, net	**3**	-
	2,107	3,379

9 Related party transactions

The Company in normal course of business, enter into transactions with other business entities which fall within the definition of related party contained in International Accounting Standard 24. Such transactions are on terms and conditions mutually agreed between them. Related party Gulf Dunes LLC, Dubai and Muscat Desert Adventures Tourism LLC are the sister concern of the Company.

Significant transactions entered with related parties during the year were:

	Relationship	2024	2023
		OMR	OMR
Cost of sales	Sister Concern	**437**	-

Due from a related party

	2024	2023
	OMR	OMR
Gulf Dunes LLC, Dubai	**80,898**	90,245
	80,898	90,245

Due to a related party

	2024	2023
Muscat Desert Adventures Tourism LLC	**5,308**	-

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

Compensation of key management personnel

During the year, there is no compensation paid to the key management personnel.

10 Trade and other payables

	2024 OMR	2023 OMR
Trade Payables	**141**	141
Tax payable (note 14)	**-**	1,814
Accruals and other payables	**-**	4,167
	141	6,122

11 Share capital

	2024 OMR	2023 OMR
Authorized, issued and fully paid-up capital		
150,000 ordinary shares of OMR 1 each	**150,000**	150,000

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

12 Statutory reserves

In accordance with Article 132 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid-up share capital of the Company. During the year, as Company has incurred loss, no amount was transfer to reserves (2023: OMR Nil).

13 Cash at bank

	2024 OMR	2023 OMR
Cash at bank	**7,382**	7,391

14 Taxes

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

	2024 OMR	2023 OMR
Current year	**-**	323
Prior years – (Reversal)/Expense	**(1,324)**	1,492
Total tax	**(1,324)**	1,814

14 Taxes (continued)

Movement of provision for taxation

	2024	2023
	OMR	OMR
At 1 January	**1,814**	-
Provision during the year	**-**	1,814
Provision to be (reversed)*	**(1,324)**	-
Tax Paid	**(490)**	-
At 31 December	**-**	1,814

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

*In the previous year, a provision of OMR 1,814 was recognized in relation to an ongoing arbitration filed by the Company concerning the disallowance of salaries and related costs in the tax assessment order for the year 2019. Subsequent to the year-end, the Tax Authority accepted the Company's claim. As a result, OMR 1,324 of the total provision was reversed, and the remaining OMR 490 was paid.

b) ***Reconciliation***

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

	2024	2023
	OMR	OMR
Loss for the year	**(11,279)**	(7,505)
Income tax as per rates mentioned above	**(1,692)**	(1,126)
Non-deductible expenses	**1,007**	1,448
Unrecognized deferred tax on losses	**685**	-
Current tax – prior year	**(1,324)**	1,492
Tax (income)/expense for the year	**(1,324)**	1,814

c) ***Status of the tax assessments***

The assessment of the Company has been completed upto Tax Year 2020. The assessment for Tax years 2021 to 2023 has not yet been initiated by the T.A. Management is of the opinion that any additional taxes, if any, related to the open years would not be significant to the Company's financial position as at 31 December 2024.

15 Contingent liabilities and capital commitment

The Company had Nil contingent liabilities and capital commitment as at 31 December 2024 (*2023: OMR Nil*).

16 Financial instruments

Credit risk

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

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

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

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

	2024 **OMR**	2023 OMR
Cash at bank	**7,382**	7,391
Due from a related party	**80,898**	90,245
	88,280	97,636

Liquidity risk

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

31 December 2024	**Carrying amount OMR**	**Contractual cashflows OMR**	**1 year or less OMR**
Non derivative financial liabilities			
Trade and other payables*	**141**	**(141)**	**(141)**
	141	**(141)**	**(141)**

***(excluding advances from customers, Tax and VAT payable)**

31 December 2023	Carrying amount OMR	Contractual cashflows OMR	1 year or less OMR
Non derivative financial liabilities			
Trade and other payables*	4,308	(4,308)	(4,308)
	4,308	(4,308	(4,308)

*(excluding advances from customers and VAT payable)

16 Financial instruments (continued)

Market risk

Foreign exchange risk

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

Interest rate risk

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

17 Fair values

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

Fair value hierarchy

As at 31 December 2024 and 31 December 2023, there are no financial instruments carried at fair value by valuation method. Accordingly, fair value hierarchy disclosures are not applicable.

18 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization of the financial statements, which would have a material effect on the financial statements.

Desert Adventures Tourism LLC

Separate financial statements

31 December 2024

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Directors' Report

The directors submit their report together with the audited separate financial statements of the Company for the year ended 31st December 2024.

LEGAL STATUS

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

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

The registered office of the Desert Adventures Tourism LLC is P.O. Box No. 25488, Dubai, United Arab Emirates.

SHARE HOLDINGS

The shareholding pattern of the Company as at 31st December 2024 and 31st December 2023 is as follows:

Name of the shareholder	**Shareholding %**
Travel Circle International (Mauritius) Limited	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2024 and 31st December 2023 are stated below:

Financial highlights	**2024**	2023
	AED	AED
Net loss	(2,423,630)	(630,388)
Total equity	(45,095,469)	(42,671,839)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG was appointed as the independent auditor for the year ended 31 December 2024. The firm is eligible for reappointment for the financial year 2025 and has expressed its willingness to continue in office. The Director recommends the reappointment of KPMG as the Company's auditor for the year ending 31 December 2025.

On behalf of the Board

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

Date: 11 July 2025

KPMG Lower Gulf Limited
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Level 4, Office No: 04.01
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Independent auditors' report

To the Shareholder of Desert Adventures Tourism LLC

Opinion

We have audited the separate financial statements of Desert Adventures Tourism LLC ("the Company"), which comprise the separate statement of financial position as at 31 December 2024, the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at 31 December 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Matter

The Group has prepared consolidated financial statements for the year ended 31 December 2024 in accordance with IFRS Accounting Standards on which we issued a separate auditors' report, dated 22 July 2025.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report which is set out on Page 1.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

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

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

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

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

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

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

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

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

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 22 JUL 2025

Desert Adventures Tourism LLC

Separate statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

	Notes	**2024 AED**	2023 AED
Revenue	*4*	**333,781,255**	345,723,919
Cost of sales	*5*	**(307,281,285)**	(317,979,919)
Gross profit		**26,499,970**	27,744,000
Administrative and general expenses	*6*	**(28,682,675)**	(26,673,485)
Impairment loss on trade receivables	*12.1*	**-**	(81,000)
Other income	*8*	**1,273,614**	776,035
Operating (loss)/profit		**(909,091)**	1,765,550
Finance income	*7*	**792,085**	874,169
Finance cost	*7*	**(2,530,826)**	(3,270,107)
Loss before tax		**(2,647,832)**	(630,388)
Deferred tax income	*21*	**224,202**	-
Loss after tax		**(2,423,630)**	(630,388)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(2,423,630)**	(630,388)

The notes on pages 9 to 35 are an integral part of these separate financial statements.

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

Desert Adventures Tourism LLC

Separate statement of financial position

As at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Property and equipment	*9*	**987,448**	1,464,550
Intangible asset	*10*	**277,151**	427,903
Investment in subsidiaries	*11*	**1,435,575**	1,435,575
Deferred tax assets	*21*	**224,202**	-
Non-current assets		**2,924,376**	3,328,028
Trade and other receivables	*12*	**45,553,285**	40,231,483
Due from related parties	*13*	**3,314,228**	1,897,106
Cash and cash equivalents	*14*	**5,829,534**	5,883,633
Current assets		**54,697,047**	48,012,222
Total assets		**57,621,423**	51,340,250
EQUITY AND LIABILITIES			
Equity			
Share capital	*15*	**300,000**	300,000
Statutory reserve	*17*	**150,000**	150,000
Shareholders contribution	*16*	**9,341,289**	9,341,289
Accumulated losses		**(54,886,758)**	(52,463,128)
Total equity		**(45,095,469)**	(42,671,839)
Liabilities			
Provision for employees' end of service benefits	*18*	**4,495,375**	3,688,133
Lease liability	*20*	**-**	525,708
Bank borrowings	*14.1*	**171,688**	232,638
Non-current liabilities		**4,667,063**	4,446,479
Trade and other payables	*19*	**70,624,257**	69,418,065
Due to related parties	*13*	**7,409,811**	2,160,935
Loan from holding Company	*13*	**3,788,530**	-
Bank borrowings	*14.1*	**15,701,548**	17,516,562
Lease liability	*20*	**525,683**	470,048
Current liabilities		**98,049,829**	89,565,610
Total liabilities		**102,716,892**	94,012,089
Total equity and liabilities		**57,621,423**	51,340,250

To the best of our knowledge, the separate financial statements fairly present, in all material respects, the separate financial position, results of operation and cash flows of the Company as of, and for the year ended 31 December 2024.

These separate financial statements were authorized for issue by the shareholders on 11 July 2025.

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 9 to 35 are an integral part of these separate financial statements.
The independent auditors' report is set out on pages 2 - 4.

Desert Adventures Tourism LLC

Separate statement of cash flows

For the year ended 31 December

	Notes	**2024**	2023
		AED	AED
Cash flows from operating activities			
(Loss) for the year		**(2,423,630)**	(630,388)
Adjustments for:			
Depreciation on property and equipment	*9*	**671,410**	629,110
Amortizations on intangible asset	*10*	**150,752**	206,949
Provision for employees' end of service benefits	*18*	**959,109**	857,203
Impairment loss on trade receivables	*12*	**-**	81,000
Interest expense on lease liability		**63,387**	75,596
Interest expense on related party balances		**588,816**	645,464
Interest expense on bank borrowings		**1,732,088**	1,737,795
Interest income		**(19,214)**	-
Gain on sale of property and equipment		**-**	(40,307)
Deferred tax income		**(224,202)**	-
Net cash flows before working capital changes		**1,498,516**	3,562,422
Changes in:			
- trade and other receivables		**(5,321,802)**	(5,011,514)
- due from related parties		**(1,417,122)**	5,403,754
- due to related parties		**5,097,045**	1,519,758
- trade and other payables		**1,206,192**	(751,739)
Payment for employees' end of service benefits	*18*	**(151,867)**	(238,837)
Net cash from operating activities		**910,962**	4,483,844
Cash flows from investing activities			
Acquisition of property and equipment	*9*	**(194,308)**	(500,009)
Proceeds from disposal of property and equipment		**-**	41,082
Acquisition of intangible asset	*10*	**-**	(380,031)
Interest income received		**19,214**	-
Net cash used in investing activities		**(175,094)**	(838,958)
Cash flows from financing activities			
Proceeds from loan from Holding Group		**14,684,000**	10,095,250
Repayment of loan from Holding Group		**(11,332,455)**	(24,040,117)
Proceeds from bank borrowings		**-**	1,649,531
Repayment of bank borrowings		**(1,875,964)**	-
Repayment of interest on bank borrowings		**(1,732,088)**	(1,737,795)
Payment of lease liabilities		**(533,460)**	(493,737)
Net cash used in financing activities		**(789,967)**	(14,526,868)
Net decrease in cash and cash equivalents		**(54,099)**	(10,881,982)
Cash and cash equivalents at beginning of the year		**5,883,633**	16,765,615
Cash and cash equivalents at end of the year	*14*	**5,829,534**	5,883,633

The notes on pages 9 to 35 are an integral part of these separate financial statements.

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

Desert Adventures Tourism LLC

Separate statement of changes in equity

For the year ended 31 December

	Share capital AED	Statutory reserve AED	Shareholders' contribution AED	Accumulated losses AED	Total AED
At 1 January 2023	300,000	150,000	9,341,289	(51,832,740)	(42,041,451)
Total comprehensive income for the period					
Loss for the year	-	-	-	(630,388)	(630,388)
At 31 December 2023	300,000	150,000	9,341,289	(52,463,128)	(42,671,839)
At 1 January 2024	300,000	150,000	9,341,289	(52,463,128)	(42,671,839)
Total comprehensive income for the period					
Loss for the year	-	-	-	(2,423,630)	(2,423,630)
At 31 December 2024	300,000	150,000	9,341,289	(54,886,758)	(45,095,469)

The notes on pages 9 to 35 are an integral part of these separate financial statements.

1 Reporting entity

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

The authorised and fully paid-up share capital of the Company is AED 300,000 divided into 100 shares of AED 3,000 / share.

The shareholding pattern of the Company as at 31st December 2024 and 31st December 2023 is as follows:

Name of the shareholder	Shareholding %
Travel Circle International (Mauritius) Limited ("the Holding Company")	100%

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited, a company registered in Toronto, Ontario, Canada.

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

The registered office of the Company is P.O. Box No. 25488, Dubai, United Arab Emirates.

The Company has not purchased any shares during the year.

2 Basis of accounting

a) Consolidated results

These financial statements reflect the operating results and the financial position of the Company only, and do not consolidate the operating results and financial position of the subsidiaries. These separate financial statements are prepared to present the net value of the Company based on cost less provision, if any. The subsidiaries are consolidated on a line-by-line basis in the consolidated financial statements of Desert Adventures Tourism L.L.C., which should be referred to for the consolidated financial position and results of operations for the Group.

b) Going concern

During the year ended 31 December 2024, the Company reported a net loss of AED 2,423,630 *(2023: Net loss of AED* 630,388*)*, net current liabilities of AED 43,352,782 *(2023: AED* 41,553,388*)* and net liabilities of AED 45,095,469 (2023: AED 42,671,839). As at 31 December 2024, the accumulated losses of the Company, amounted to AED 54,886,758 (2023: AED 52,463,128), exceed more than 50% of the share capital. Article 308 of the UAE Federal Decree Law no. 32 of 2021 for commercial states that if the losses of a limited liability company reach half the share capital, the Management of the Company shall refer to the shareholders the issue of dissolution. These factors indicate that the Company ability to continue as a going concern is dependent upon the continued financial support of the Holding company. The Holding company have provided an undertaking that it will provide the necessary financial support to the Company to enable it to meet its obligation for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

2 Basis of accounting (continued)

c) Statement of compliance

The separate financial statements have been prepared on a going concern basis an in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Standards Board (IASB) and the applicable provision of UAE Federal Decree Law no. 32 of 2021.

d) Basis of measurement

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

e) Functional and presentation currency

The separate financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional currency.

f) Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying policies that have the most significant effect on the amounts recognized in these separate financial statements are disclosed in note 24.

g) Change in material accounting policies

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. This resulted in a change in accounting policy for the classification of liabilities that can be settled in a Company's entity's own shares. Previously, the Company ignored all counterparty conversion options when classifying the related liabilities as current or non-current. Under the new policy, when a liability includes a counterparty conversion option whereby the liability may be settled by a transfer of a Company entity's own shares, the Company takes into account the conversion option in classifying the host liability as current or non-current unless the option is classified as equity under IAS 32. The Company's other liabilities were not impacted by the amendments.

Despite the change in policy, there is no retrospective impact on the comparative statement of financial position, as the Company had no convertiable notes as at 31 December 2023.

3 Summary of Material Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Revenue

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

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

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

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

Financial instruments

Recognition and initial measurement

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

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

3 Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

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

3 Summary of Material Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement (continued)

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Foreign currency transactions

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

Property and equipment

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

Subsequent cost

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

3 Summary of Material Accounting Policies (continued)

Property and equipment (continued)

Depreciation

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

	Years
Motor vehicles	4
Furniture, fixtures and equipment	2 - 5
Leasehold improvements	10
Leased office premises	3

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

Intangible Assets

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

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

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

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

Impairment

Non-derivative financial assets

Financial instruments

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

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

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

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

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Write-off (continued)

off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

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

Financial assets measured at amortized cost

The Company considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.
In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

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

Non-financial assets

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

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

3 Summary of Material Accounting Policies (continued)

Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

Non-financial assets (continued)

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

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

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

Impairment losses are recognized in profit or loss.

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

Provisions

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

Provision for employees' end of service benefits

The provision is made for the amount of end of service benefits due to employees in accordance with the UAE Labour Law and its amendments and is based on the current remuneration and the period of service of the employees at the end of the reporting period. The provision has been classified as a non-current liability.

Intercompany recharges

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

3 Summary of Material Accounting Policies (continued)

Contract assets

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

Leases

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

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

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

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

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

As a lessee

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

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

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

3 Summary of Material Accounting Policies (continued)

Leases (continued)

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

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

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

Short-term leases and leases of low-value assets

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

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of

3 Summary of Material Accounting Policies (continued)

Income tax (continued)

Deferred tax (continued)

relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

New standards or amendments and forthcoming requirements

A number of new standards are effective for annual periods beginning after 01 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

• Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
• Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.
— Lack of Exchangeability (Amendments to IAS 21).
— Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

3 Summary of Material Accounting Policies (continued)

New standards or amendments and forthcoming requirements (continued)

The following are the new currently effective requirements for annual periods beginning on 01 January 2024, which did not have a significant impact of the Company's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (noncurrent liability with covenants)
- Amendments to IFRS 16 Leases– Lease liability in a sale and leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 January 2024 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7	*1 January 2026*
IFRS 18 – Presentation and Disclosure in Financial Statements	*1 January 2027*
IFRS 19 – Subsidiaries without Public Accountability Disclosures	*1 January 2027*
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 23	*Optional*

4 Revenue

Revenue from contract with customers is disaggregated by major products and service lines and timing of revenue recognition.

	2024 AED	2023 AED
Tourism and related services	**295,808,276**	295,513,671
Tour packages	**34,294,866**	45,734,447
Hotel commissions	**3,678,113**	4,475,801
	333,781,255	345,723,919
Geographical markets		
United Arab Emirates	**333,781,255**	345,723,919
Timing of revenue recognition		
Revenue recognized at a point in time	**333,781,255**	345,723,919
Contract balances		
Receivables, which are included in "trade receivables and other receivables" (Note 12) – net	**24,033,369**	17,955,326

5 Cost of sales

	2024 AED	2023 AED
Tourism and related services	**275,962,975**	275,674,622
Tour Packages	**31,318,310**	42,305,297
	307,281,285	317,979,919

6 Administrative and general expenses

	2024 AED	2023 AED
Staff salaries and related benefits	**21,043,829**	19,881,971
Advertisement and business promotion	**1,684,150**	1,526,492
IT expenses	**1,499,567**	1,259,745
Travel expense	**695,972**	632,738
Depreciation (refer note 9.1)	**671,410**	629,110
Office expense	**348,792**	380,289
Amortisation (refer note 10)	**150,752**	206,949
Rent expense	**125,486**	126,437
Other expenses	**2,462,717**	2,029,754
	28,682,675	26,673,485

7 Net finance cost

	2024 AED	2023 AED
Finance income		
Net foreign exchange gain	**772,871**	874,169
Interest income	**19,214**	-
Total finance income	**792,085**	874,169
Finance cost		
Interest on bank borrowings	**(1,732,088)**	(1,737,795)
Interest on related party balance	**(588,816)**	(645,464)
Bank charges	**(106,846)**	(180,299)
Other charges for corporate guarantee	**(39,689)**	(630,953)
Interest on lease liabilities (note 20)	**(63,387)**	(75,596)
Total finance cost	**(2,530,826)**	(3,270,107)
Net finance costs	**1,738,741**	(2,395,938)

8 Other income – net

	2024 AED	2023 AED
Expenses recharged by associated companies	**(434,499)**	(361,589)
Commission Income	**1,708,113**	1,097,317
Gain on sale of fixed assets	**-**	40,307
	1,273,614	776,035

9 Property and equipment

	Motor vehicles AED	Furniture, fixtures and equipment AED	Leasehold improvements AED	Leased office premises AED	Total AED
Cost					
Balance at 1 January 2023	2,477,250	615,445	1,191,909	-	4,284,604
Additions	376,000	124,009	-	1,413,897	1,913,906
Disposals	(375,000)	(1,000)	-	-	(376,000)
Balance at 31 December 2023	2,478,250	738,454	1,191,909	1,413,897	5,822,510
Balance at 1 January 2024	**2,478,250**	**738,454**	**1,191,909**	**1,413,897**	**5,822,510**
Additions	-	155,384	38,924	-	194,308
Disposals	-	(141,573)	-	-	(141,573)
Balance at 31 December 2024	**2,478,250**	**752,265**	**1,230,833**	**1,413,897**	**5,875,245**
Depreciation					
Balance at 1 January 2023	2,426,809	525,291	1,151,975	-	4,104,075
Charge for the year	87,404	63,885	6,521	471,300	629,110
Disposals	(375,000)	(225)	-	-	(375,225)
Balance at 31 December 2023	2,139,213	588,951	1,158,496	471,300	4,357,960
Balance at 1 January 2024	**2,139,213**	**588,951**	**1,158,496**	**471,300**	**4,357,960**
Charge for the year	105,998	89,042	5,070	471,300	671,410
Disposals	-	(141,573)	-	-	(141,573)
Balance at 31 December 2024	**2,245,211**	**536,420**	**1,163,566**	**942,600**	**4,887,797**
Net book value					
At 31 December 2024	**233,039**	**215,845**	**67,267**	**471,297**	**987,448**
At 31 December 2023	339,037	149,503	33,413	942,597	1,464,550

9.1 Allocation of depreciation expense

	2024 AED	2023 AED
Depreciation expense related to administration (refer note 6)	**671,410**	629,110

10 Intangible asset – Software

	2024	2023
	AED	AED
Cost		
As at 1 January	**2,460,999**	2,080,968
Additions	**-**	380,031
As at 31 December	**2,460,999**	2,460,999
Amortisation		
As at 1 January	**2,033,096**	1,826,147
Charge for the period	**150,752**	206,949
As at 31 December	**2,183,848**	2,033,096
Net book value as at 31 December	**277,151**	427,903

11 Investment in subsidiaries

The investment in subsidiaries are registered in the name of the shareholders of the Company and represents the amount contributed directly by the shareholders in the capital of Muscat Desert Adventures Tourism LLC ("Muscat DAT) and Jordan Desert Adventures Tourism LLC ("Jordan DAT").

	Muscat DAT AED	**Jordan DAT AED**	**Total AED**
Cost	**1,435,575**	**522,900**	**1,958,475**
Provision for impairment	**-**	**(522,900)**	**(522,900)**
At 31 December 2024	**1,435,575**	**-**	**1,435,575**
Cost	1,435,575	522,900	1,958,475
Provision for impairment	-	(522,900)	(522,900)
At 31 December 2023	1,435,575	-	1,435,575

Management carried out an impairment test of the carrying value of the subsidiaries as at 31 December 2024, based on these impairment test management, no impairment was made as the net assets of subsidiary was in excess of its carrying amount as at 31 December 2024.

12 Trade and other receivables

	2024	2023
	AED	AED
Trade receivables	**27,523,160**	21,445,117
Provision for impairment loss on trade receivables (refer note 12.1)	**(3,489,791)**	(3,489,791)
	24,033,369	17,955,326
Other receivables and prepayments		
Advances to suppliers	**9,279,532**	9,542,172
Prepayments	**1,189,546**	1,235,535
Other receivables		
- Deposits	**5,593,425**	5,600,425
- Commission receivables	**4,673,381**	4,952,095
- Other receivables	**784,032**	945,930
	45,553,285	40,231,483

Above, deposit balance includes guarantee deposit of AED 370,000 (2023: AED 370,000) which is in name of Reem Tours and Travel LLC, but it is held and used for the beneficial interest of the Company.

12.1 Provision for impairment loss on trade receivables

The movement in the provision for doubtful debts during the year is as follows:

	2024	2023
	AED	AED
As at 1 January	**3,489,791**	3,408,791
Provision made during the year	**-**	81,000
As at 31 December	**3,489,791**	3,489,791

13 Related parties

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

	Relationship	**2024**	2023
		AED	AED
Sales to related parties	Fellow subsidiaries	**32,036,047**	37,525,343
Loan acquired from Holding Company	Holding Company	**14,684,000**	10,095,250
Expenses recharged by fellow subsidiaries (note 8)	Fellow subsidiaries	**(434,499)**	(361,589)
Interest on related party balance	Holding Company and Fellow subsidiaries	**(588,816)**	(645,464)
Repayment of loan and interest loan from Holding Company	Holding Company	**(11,332,455)**	(24,040,117)

13 Related parties (continued)

The key management personnel compensation is as follows:

	2024 AED	2023 AED
Short-term employee benefits	**3,451,645**	4,003,720
Staff terminal benefits	**167,517**	265,842
	3,619,162	4,269,562

Due from related parties

	Relationship	**2024 AED**	2023 AED
Thomas Cook (India) Limited	Intermediate parent	**2,242,341**	682,801
SOTC Travel Limited	Intermediate parent	**985,536**	390,402
Desert Adventures Tourism – Jordan	Fellow Subsidiary	**86,351**	-
Gulf Dunes LLC	Affiliate Company	-	823,903
		3,314,228	1,897,106

For the period ended 31 December 2024, the Company has not recorded any allowance for expect credit losses of amounts owed by related parties.

Due to related parties

		2024 AED	2023 AED
Gulf Dunes LLC*	Affiliate Company	**6,302,961**	-
Muscat Desert Adventures Tourism LLC*	Fellow Subsidiary	**1,064,598**	872,215
Travel Corporation (India) Limited	Affiliate Company	**22,557**	568
Horizon Travel Services	Affiliate Company	**19,695**	12,908
Desert Adventures Tourism – Jordan	Fellow Subsidiary	**-**	37,885
Reem Tours LLC	Affiliate Company	**-**	608,868
Digiphoto Entertainment Imaging	Affiliate Company	**-**	625,686
Jardin Travel Solutions Limited	Affiliate Company	**-**	2,805
		7,409,811	2,160,935

*Outstanding balances at the year-end are unsecured and settlement occurs in cash and arise in normal course of business. The amount due to Gulf Dunes LLC and Muscat Desert Adventure Tourism LLC is subject to interest rate of 9.82%. There have been no guarantees provided or received for any related party.

13 Related parties (continued)

Loan from holding Company

The Company obtained a short-term facility to finance working capital requirements from Travel Circle International (Mauritius) Limited ("Holding Group"). This facility is unsecured and carries interest at the rate from 6.98% to 8.90%. The movement in the balance during the year ended 31 December 2024 and 31 December 2023 is as follows:

	2024	2023
	AED	AED
Opening balance	**-**	13,299,403
Proceeds from loan	**14,684,000**	10,095,250
Interest accrued during the year	**436,985**	645,464
Repayment of principal and interest	**(11,332,455)**	(24,040,117)
Closing balance	**3,788,530**	-

14 Cash and cash equivalents

	2024	2023
	AED	AED
Cash in hand	**591,177**	183,708
Cash at bank	**5,238,357**	5,699,925
	5,829,534	5,883,633

14.1 Bank borrowings

Overdraft Facility:

The Company has an overdraft facility of USD 5,000,000 (AED 18,355,000) issued by Standard Chartered Bank. This facility is secured over the assets of the Company. Overdraft facility carries interest at the rate of 5.15% per annum over 1 month LIBOR. The principal is payable on demand and interest is payable on monthly basis. The Company has availed overdraft facility during the year and outstanding amount as at 31 December 2024 is AED 15,640,620 (2023: AED 17,749,200). The Company also has commercial card facility of AED 12,855,400 issued by Citi bank.

Auto Loan:

During the year, Company has borrowed an Auto Loan from Abu Dhabi Commercial Bank. The outstanding amount as at 31 December 2024 is AED 232,616 (2023: AED 289,234) of which AED 60,928 (2023: AED 56,596) is the current portion and remaining balance of AED 171,688 (2023: AED 232,638) is non-current portion.

15 Share capital

	2024	2023
	AED	AED
Authorised, issued and fully paid up capital		
100 shares of AED 3,000 each	**300,000**	300,000

16 Shareholder contribution

	2024	2023
	AED	AED
Shareholder contribution	**9,341,289**	9,341,289

17 Statutory reserves

In accordance with UAE Federal Decree Law No. 32 of 2021, a minimum of 10% of the net profits of the Company is required to be allocated to a statutory reserve, which is not distributable. Such allocations may be ceased when the statutory reserve equals half of the paid-up share capital of the Company. During the year no transfers were made to this reserve as the amount of the reserve has reached to the threshold *(2023: AED Nil)*.

18 Employees' end of service benefits

	2024	2023
	AED	AED
As at 1 January	**3,688,133**	3,069,767
Provision during the year	**959,109**	857,203
Payments made during the year	**(151,867)**	(238,837)
As at 31 December	**4,495,375**	3,688,133

19 Trade and other payables

	2024	2023
	AED	AED
Trade payables	**19,593,784**	18,812,731
Advances from customers	**16,571,176**	15,819,294
Accruals and other payables		
- Employees accruals	**1,380,441**	1,750,093
- Hotel and other service accruals	**31,653,793**	31,438,186
- Other payables	**1,425,062**	1,597,761
	70,624,257	69,418,065

20 Lease liabilities

	2024	2023
	AED	AED
Current	**525,683**	470,048
Non-current	**-**	525,708
Balance at 31 December	**525,683**	995,756

Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the year:

	2024	2023
	AED	AED
As at 1 January	**995,756**	-
Additions	**-**	1,413,897
Interest expense on lease liability (note 7)	**63,387**	75,596
Repayment of lease liability during the year	**(533,460)**	(493,737)
As at 31 December	**525,683**	995,756

20 Lease liabilities (continued)

Amount recognized in the profit or loss

	2024 AED	2023 AED
Interest on lease liability	**63,387**	75,596
Depreciation on right-of-use asset (refer note 9)	**471,300**	471,300
Expenses relating to low value assets, excluding short-term leases (refer note 6)	**125,486**	126,437
Balance at 31 December	**660,173**	673,333

Amounts recognized in the Statement of cash flows

	2024 AED	2023 AED
Repayment of lease liability	**(533,460)**	(493,737)

21 Taxation

	2024 AED
Deferred tax assets	
Recognition of deferred tax assets on the losses	**(224,202)**
Total income tax credit, net	**(224,202)**

	2024 AED	Effective tax Rate
Reconciliation of effective tax rate		
Profit before tax	**(2,647,832)**	**-**
Tax using the Company base tax rate	**(238,305)**	**-9.00%**
Tax effect of:		
Add: Non-deductible Expenditure	**14,103**	**0.53%**
Tax credit for the year	**(224,202)**	**(8.47%)**

Movement in deferred tax asset

A deferred tax asset of AED 224,202 has been recognized, as management anticipates that sufficient taxable profits will be available in the foreseeable future to utilize the related tax losses.

	2024 AED
Recognized during the period	**(224,202)**
Deferred tax asset as at 31 December 2024	**(224,202)**

21 Taxation (continued)

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the CT Law") to enact a Federal corporate tax ("CT") regime in the UAE. The CT Law is effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income as AED 375,000, over which a corporate tax of 9% would apply. The CT Law has now been enacted, and based on this, the Company has recognized current taxes in its financial statements and has elected to apply the 'realization basis' for recognizing gains and losses on all assets and liabilities. As the Company incurred net losses for the year ended 31 December 2024, no taxable income was generated, and therefore, no income tax expense has been recorded for the year.

22 Contingencies and commitments

Contingent liabilities
The Company has AED 716,238 *(2023: AED* 716,238*)* of bank guarantees as at 31 December 2024, these were issued during the normal course of business.

Capital commitments
There are no capital commitments of the Company as at 31 December 2024 (31 December 2023: AED Nil).

23 Financial risk management

The Company has exposure to the following risks arising from financial instruments
- Credit risk;
- Liquidity risk; and
- Market risk.

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The management is responsible for developing and monitoring the Company's risk management policy. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

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

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Company's cash and cash equivalents are held with bank and financial institution counterparties, which have good market credibility and stability. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

23 Financial risk management (continued)

Credit risk (continued)

	2024 AED	2023 AED
Trade receivables	**24,033,369**	17,955,326
Other receivables*	**11,275,040**	11,498,450
Due from related parties	**3,314,228**	1,897,106
Cash at bank	**5,238,357**	5,699,925
	43,860,994	37,050,807

* Prepayments and advances are excluded.

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

Geographical regions	Carrying amount 2024 AED	Carrying amount 2023 AED
Commonwealth of Independent States	**12,835,315**	9,537,151
Europe	**6,870,301**	5,041,020
Middle East	**3,755,201**	3,777,656
Asia	**786,986**	539,573
Others	**3,275,357**	2,549,717
	43,860,994	37,050,807

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2024 AED	Credit impaired 2024 AED	Not credit-impaired 2023 AED	Credit impaired 2023 AED
Not yet due	**18,157,718**	**-**	12,150,130	-
1-30 days	**5,617,012**	**-**	4,905,409	-
31- 90 days	**258,639**	**759,037**	899,787	1,018,813
91- 120 days and above	**-**	**2,730,754**	-	2,470,978
Total gross carrying amount	**24,033,369**	**3,489,791**	17,955,326	3,489,791
Loss allowance	**-**	**(3,489,791)**		(3,489,791)
	24,033,369	**-**	17,955,326	-

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2024 and 31 December 2023.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of

23 Financial risk management (continued)

Credit risk (continued)

Impairment losses (continued)

delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2024.

	Gross carrying amount AED	Loss allowance AED	Credit impaired
Not yet due	**18,157,718**	**-**	**No**
1-30 days	**5,617,012**	**-**	**No**
31- 90 days	**258,639**	**759,037**	**Yes**
91- 120 days and above	**-**	**2,730,754**	**Yes**
Total	**24,033,369**	**3,489,791**	

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2023.

	Gross carrying amount AED	Loss allowance AED	Credit impaired
Not yet due	12,150,130	-	No
1-30 days	4,905,409	-	No
31- 90 days	1,918,600	1,018,813	Yes
91- 120 days and above	2,470,978	2,470,978	Yes
Total	21,445,117	3,489,791	

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

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

Cash at Banks

The Company held cash at banks of AED 5,238,357 at 31 December 2024 (2023: AED 5,699,925). The cash at banks are held with banks, which are rated A1 to A3, based on Mood’s ratings. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

23 Financial risk management (continued)

Other receivables

The company's exposure to credit risk on other receivable from third parties influence mainly by the individual characteristics of each party. Other receivable as at 31 December 2024 include deposits and other receivable of AED 11,275,040 (2023: AED 11,498,450) for which management believes that there is no significant credit risk associated at reporting date.

Due from related parties

For receivables from related parties, the Company as determined Probability of Debt (PD) that is applicable for outstanding related party receivables PD has been determined in accordance with Moody's PD rating scale by considering external credit ratings and adjusting the PDs so determined for macroeconomic factors. The Company has also considered a standard Loss Given Default (LGD) percentage of 45% for all unsecured outstanding exposures in accordance with foundation approach of Basel guidelines in the absence of the Group's historical experience. The Company does not require collateral in respect of its amount due from a related party. The Company does not have amounts for which no loss allowance is recognized because of collateral. At the reporting date there was no significant concentrations of credit risk.

Liquidity risk

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

2024	**Carrying Amount AED**	**Contractual cash out flows AED**	**1 year or less AED**	**More than 1 year AED**
Non derivative financial liabilities				
Trade and other payables*	**54,053,081**	(54,053,081)	(54,053,081)	-
Due to related parties	**7,409,811**	(7,409,811)	(7,409,811)	-
Bank borrowing	**15,873,236**	(15,873,236)	(15,873,236)	-
Loan from holding company	**3,788,530**	(3,788,530)	(3,788,530)	
Lease liability	**525,683**	(525,683)	(525,683)	-
	81,650,341	(81,650,341)	(81,650,341)	-

2023	Carrying Amount AED	Contractual cash out flows AED	1 year or less AED	More than 1 year AED
Non derivative financial liabilities				
Trade and other payables*	53,598,771	(53,598,771)	(53,598,771)	-
Due to related parties	2,160,935	(2,160,935)	(2,160,935)	-
Loan from holding Company	17,749,200	(17,749,200)	(17,749,200)	-
Bank borrowing	995,757	(995,757)	(470,049)	(525,708)
	74,504,663	(74,504,663)	(73,978,955)	(525,708)

** excluding advances from customers*

23 Financial risk management (continued)

Market risk

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

Currency risk

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

Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instrument is as follows:

Variable instruments	**2024**	2023
	AED	AED
Financial liabilities (loan from holding company)	**3,788,530**	-
Financial liabilities (bank borrowings)	**15,873,236**	17,749,200
	19,661,766	17,749,200

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by AED 196,618 *(2023: AED* 177,492*)*. This analysis assumes that all other variables remain constant.

Capital management

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

24 Fair values

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

Fair value hierarchy

As at 31 December 2024 and 31 December 2023, there are no financial instruments carried at fair value by valuation method.

25 Use of judgments and estimates

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

Assumptions and estimation uncertainties

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

(a) Impairment losses on receivables

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 22.

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

Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Company's policy is to regularly review its models in the context of actual loss experience and adjust when necessary. Detailed information about the judgments and estimates made by the Company in the above areas is set out in note 22.

26 Comparatives

Previous year reported figures have been regrouped/reclassified, wherever necessary, to conform to the current year's presentation. The reclassification of items is not considered material and does not impact the financial statement as at the beginning of the earliest comparative period. Thus, a third statement of financial position at the beginning of the earliest comparative period has not been presented.

27 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization of the financial statements, which would have a material effect on the financial statements.

Muscat Desert Adventures Tourism LLC

Financial Statements

31 December 2024

Muscat Desert Adventures Tourism LLC
Financial Statements
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Directors' Report

The directors submit their report together with the audited financial statements of the Company for the year ended 31st December 2024.

LEGAL STATUS

Muscat Desert Adventures Tourism LLC is a limited liability company ("the Company") registered with the Ministry of Commerce and Industry in the Sultanate of Oman on October 31, 2005, under the commercial registration no. 1808435.

The Company is 70% owned subsidiary of Desert Adventures Tourism LLC ("the Holding Company"), a company registered in Dubai, United Arab Emirates and 30% shares are held by a local partner namely Hani Bin Juman Ashour Rajab who has agreed not to take part in the operational and financial management of the Company and has confirmed that these shares are held for the beneficial interest of the Company.

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

The principal activity of the Company is to carry out tour operation business which include handling Hotel Booking, Leisure, FIT, Visa Processing and Transfer.

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

FINANCIAL PERFORMANCE

The results of the Company for the year ended 31st December 2024 and 31st December 2023 are stated below:

Financial highlights	**2024** **OMR**	2023 OMR
Net (Loss)/Profit	(25,240)	12,391
Total equity	(82,848)	(57,608)

SUBSEQUENT EVENT:

There has been no significant event subsequent to the reporting date and up to the date of authorization, which would have a material effect on the financial statements.

AUDITORS

KPMG LLC was appointed as the independent auditor for the year ended 31 December 2024. The firm is eligible for reappointment for the financial year 2025 and has expressed its willingness to continue in office. The Director recommends the reappointment of KPMG LLC as the Company's auditor for the year ending 31 December 2025.

On behalf of the Board

Salim Sikander
Chief financial officer

Peter Payet
Chief executive officer

Date: 29 April 2025

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Independent auditors' report

To the Shareholders of Muscat Desert Adventures Tourism LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Muscat Desert Adventures Tourism LLC ("the Company"), which comprise the statement of financial position as at December 31, 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Other Information

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

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

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and their preparation in compliance with the applicable provisions of the Commercial Companies Law of 2019, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

KPMG

30 April 2025

KPMG LLC

KPMG
KPMG LLC
Children's Public Library Building
4th floor, Shatti Al Qurum
P O Box 641, PC 112
Sultanate of Oman
CR.No: 1358131

Muscat Desert Adventures Tourism LLC
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Notes	**2024 OMR**	2023 OMR
Revenue	*4*	**1,218,390**	1,152,185
Cost of sales	*5*	**(1,066,836)**	(992,139)
Gross profit		**151,554**	160,046
Administrative and general expenses	*6*	**(185,328)**	(142,146)
Other income	*7*	**9,681**	-
Operating (Loss)/Profit		**(24,093)**	17,900
Finance cost - bank charges		**(6,294)**	(5,509)
Finance income	*10*	**5,147**	-
(Loss)/Profit before tax and		**(25,240)**	12,391
Tax expense	*18*	**-**	-
(Loss)/Profit after tax		**(25,240)**	12,391
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(25,240)**	12,391

The notes on pages 9 to 26 are an integral part of these financial statements.

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

Muscat Desert Adventures Tourism LLC
Statement of financial position
As at 31 December 2024

	Notes	**2024 OMR**	2023 OMR
ASSETS			
Property and equipment	*8*	**692**	894
Non-current assets		**692**	894
Trade and other receivables	*9*	**175,496**	169,732
Due from related parties	*10*	**117,183**	91,431
Cash and cash equivalents	*15*	**26,402**	48,287
Current assets		**319,081**	309,450
Total assets		**319,773**	310,344
EQUITY AND LIABILITIES			
Equity			
Share capital	*13*	**150,000**	150,000
Statutory reserve	*14*	**50,000**	50,000
Accumulated losses		**(282,848)**	(257,608)
Total equity		**(82,848)**	(57,608)
Liabilities			
Employees' end of service benefits	*12*	**3,546**	2,795
Non-current liability		**3,546**	2,795
Trade and other payables	*11*	**399,075**	364,343
Due to related parties	*10*	**-**	814
Total current liabilities		**399,075**	365,157
Total liabilities		**402,621**	367,952
Total equity and liabilities		**319,773**	310,344

To the best of our knowledge, the financial statements fairly presents, in all material respects, the financial position, results of operations and cashflows of the Company as of, and for, the year ended 31 December 2024.

These financial statements were authorized for issue on behalf of the Company's Directors on 29 April 2025.

Salim Sikander
Chief Financial Officer

Peter Payet
Chief Executive Officer

The notes on pages 9 to 26 are an integral part of these financial statements.

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

Muscat Desert Adventures Tourism LLC
Statement of cash flows
For the year ended 31 December 2024

	Note	2024 OMR	2023 OMR
Cash flow from operating activities			
(Loss)/Profit for the year		**(25,240)**	12,391
Adjustments for:			
Depreciation on property and equipment	*8*	**836**	609
Provision for employees' end of service benefits	*12*	**3,571**	1,177
Finance income		**(5,147)**	-
		(25,980)	14,177
Changes in:			
- trade and other receivables		**(5,764)**	(53,551)
- due from related parties		**(20,606)**	(63,764)
- trade and other payables		**34,733**	89,687
- due to related parties		**(814)**	(217,527)
Cash (used in) operating activities		**(18,431)**	(230,978)
Payment of employees' end of service benefits	*12*	**(2,820)**	(1,047)
Net cash (used in) operating activities		**(21,251)**	(232,025)
Cash flow from investing activities			
Acquisition of property and equipment	*8*	**(634)**	(200)
Net cash (used in) investing activities		**(634)**	(200)
Cash flow from financing activities		**-**	-
Net increase in cash and cash equivalents		**(21,885)**	(232,225)
Cash and cash equivalents at beginning of the year		**48,287**	280,512
Cash and cash equivalents at the end of the year	*15*	**26,402**	48,287

The notes on pages 9 to 26 are an integral part of these financial statements.

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

Muscat Desert Adventures Tourism LLC
Statement of changes in equity
For the year ended 31 December 2024

	Share capital OMR	Statutory reserve OMR	Accumulated losses OMR	Total OMR
At 1 January 2023	150,000	50,000	(269,999)	(69,999)
Total comprehensive Profit for the year	-	-	12,391	12,391
At 31 December 2023	150,000	50,000	(257,608)	(57,608)
At 1 January 2024	150,000	50,000	(257,608)	(57,608)
Total comprehensive Profit for the year	-	-	(25,240)	(25,240)
At 31 December 2024	150,000	50,000	(282,848)	(82,848)

The notes on pages 9 to 26 form an integral part of these financial statements.

1 Reporting entity

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

The principal activity of the Company is to carry out tour operation business which include handling Hotel Booking, Leisure, FIT, Visa Processing and Transfer. The Company secures access to hotel accommodation and other travel and tourism related activities and sells it to customer who generally are tour operators, travel agents and other wholesalers.

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

The ultimate parent and ultimate controlling party of the Company is Fairfax Financial Holdings Limited with a registered address at 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada.

The Company did not purchase any shares during the year.

2 Basis of accounting

a) Going concern

During the year ended 31 December 2024, the Company incurred a loss after tax of OMR 25,240 (31 December 2023: Profit of OMR 12,391) and as at 31 December 2024 its accumulated losses amounted to OMR 82,848 (2023: accumulated losses OMR57,608). The Company's ability to continue as a going concern is dependent on the continued financial support from its Parent Company and the expectation of future profitable operations. The Parent Company has issued a letter of support, confirming its commitment to provide the necessary financial assistance to enable the Company to meet its working capital requirements in the foreseeable future.

Accordingly, the accompanying financial statements have been prepared on a going concern basis and do not include any adjustments that might be required if the Company were unable to continue as a going concern.

b) Statement of compliance

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

c) Basis of measurement

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

d) Functional and presentation currency

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

e) Use of estimates and judgments

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

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

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

3 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Revenue

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

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

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

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

Financial instruments

Recognition and initial measurement

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

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

3 Material accounting policies (continued)

Financial instruments (continued)

Classification and subsequent measurement

Financial assets

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

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

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

3 Material accounting policies (continued)

Financial instruments (continued)

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Foreign currency transactions

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

Property and equipment

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

Subsequent cost

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

Depreciation

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

3 Material accounting policies (continued)

Property and equipment (continued)

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

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

Impairment

Non-derivative financial assets

Financial instruments

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables and due from related parties are always measured at an amount equal to lifetime ECLs.

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECL in the statement of financial position

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

3 Material accounting policies (continued)

Impairment (continued)

Write-off

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

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

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

Financial assets measured at amortized cost

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

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

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

Non-financial assets

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

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

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

3 Material accounting policies (continued)

Impairment (continued)

Non-financial assets (continued)

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

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

Impairment losses are recognized in profit or loss.

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

Provisions

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

Employees' end of service benefits

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

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

Tax

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

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

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

Intercompany recharges

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

3 Material accounting policies (continued)

Contract assets

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

Leases

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

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

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

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

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

As a lessee

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

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

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

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

3 Material accounting policies (continued)

Leases (continued)

As a lessee (continued)

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

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

Short-term leases and leases of low-value assets

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

New standards or amendments and forthcoming requirements

A number of new standards are effective for annual periods beginning after 01 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

• Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
• Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

b) Other accounting standards

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

— Lack of Exchangeability (Amendments to IAS 21).

— Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

3 Material accounting policies (continued)

New standards or amendments and forthcoming requirements (continued)

The following are the new currently effective requirements for annual periods beginning on 01 January 2024, which did not have a significant impact of the Company's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (noncurrent liability with covenants)

- Amendments to IFRS 16 Leases– Lease liability in a sale and leaseback

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 January 2024 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

New and amended standards not effective and not yet adopted by the Company	**Effective date**
Lack of Exchangeability – Amendments to IAS 21	*1 January 2025*
Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7	*1 January 2026*
IFRS 18 – Presentation and Disclosure in Financial Statements	*1 January 2027*
IFRS 19 – Subsidiaries without Public Accountability Disclosures	*1 January 2027*
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 23	*Optional*

4 Revenue

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

	2024 **OMR**	2023 OMR
Tourism and related services	**1,218,390**	1,152,185
	1,218,390	1,152,185
Geographical markets		
Oman	**1,218,390**	1,152,185
Timing of revenue recognition		
Revenue recognized at a point in time	**1,218,390**	1,152,185

5 Cost of sales

	2024 **OMR**	2023 OMR
Tourism and related services	**(1,066,836)**	992,139
	(1,066,836)	992,139

6 Administrative and general expenses

	2024 OMR	2023 OMR
Staff salaries and related benefits (i)	**138,173**	93,748
Rent and utility expense	**10,886**	11,701
Motor vehicle expense	**4,314**	4,234
Promotion and business expense	**12,486**	9,917
Government and legal fees	**7,308**	8,684
Depreciation expense (refer note 8)	**836**	609
Office communication and postage expenses	**5,706**	5,864
Other Expenses	**5,619**	7,389
	185,328	142,146

(i) The staff salaries and related benefits comprises:

Staff salaries and wages	**98,645**	75,723
Other staff benefits	**35,957**	16,848
End of service benefits (refer note 12)	**3,571**	1,177
	138,173	93,748

7 Other income

	2024 OMR	2023 OMR
Commission income (Other GOP)	**9,681**	-
	9,681	-

8 Property and equipment

	Motor vehicle OMR	Office equipment OMR	Office furniture and installations OMR	Total OMR
Cost				
At 1 January 2023	59,474	6,535	16,848	82,857
Addition	-	200	-	200
As at 31 December 2023	59,474	6,735	16,848	83,057
At 1 January 2024	**59,474**	**6,735**	**16,848**	**83,057**
Addition	-	634	-	634
As at 31 December 2024	**59,474**	**7,369**	**16,848**	**83,691**
Depreciation				
As at 1 January 2023	59,474	5,510	16,570	81,554
Charge for the year	-	476	133	609
As at 31 December 2023	59,474	5,986	16,703	82,163
As at 1 January 2024	**59,474**	**5,986**	**16,703**	**82,163**
Charge for the year	-	702	134	836
As at 31 December 2024	**59,474**	**6,688**	**16,837**	**82,999**
Net book value				
At 31 December 2024	**-**	681	11	692
At 31 December 2023	-	749	145	894

9 Trade and other receivables

	2024 OMR	2023 OMR
Trade receivables	**154,805**	120,702
Provision for impairment loss on trade receivables (refer note 9.1)	**(5,713)**	(5,713)
	149,092	114,989
Prepayments	**9,877**	39,830
Deposits	**9,350**	9,350
Other receivables	**7,177**	5,563
	175,496	169,732

9.1 Provision for impairment loss on trade receivables

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

	2024 OMR	2023 OMR
As at 1 January	**5,713**	5,713
As at 31 December	**5,713**	5,713

10 Related parties

Related parties, within the definition of a related party contained in International Accounting Standard 24, represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. With respect to related party relationships, Desert Adventure Tourism L.L.C. is the Parent Company of the Company, while Gulf Dunes L.L.C. and Jordan Desert Adventures Tourism L.L.C. are its sister concerns.

Significant transactions entered with related parties during the year were:

	Relationship	2024 OMR	2023 OMR
Interest income	Sister Concern	**5,147**	-
Revenue	Sister Concern	**437**	-

Due from related parties

	2024 OMR	2023 OMR
Desert Adventures Tourism L.L.C. – Dubai*	**111,602**	91,431
Gulf Dunes LLC - Oman	**5,308**	-
Desert Adventures Tourism PSC - Jordan	**273**	-
	117,183	91,431

*Outstanding balances at the year-end are unsecured and settlement occurs in cash and arise in normal course of business. The amount due to/from the Desert Adventure Tourism LLC is subject to interest rate of 9.82%. There have been no guarantees provided or received for any related party receivables. For the period ended 31 December 2024, the Company has not recorded any allowance for expect credit losses of amounts owed by related parties.

10 Related parties (continued)

Due to related parties

	2024 OMR	2023 OMR
Desert Adventures Tourism PSC - Jordan	-	814
	-	814

The key management personnel compensation is as follows:

	2024 OMR	2023 OMR
Short-term employee benefits	**5,807**	2,795

11 Trade and other payables

	2024 OMR	2023 OMR
Hotel and other service accruals	**188,101**	206,585
Trade payables	**98,440**	56,300
Advances from customers	**89,721**	91,944
Accruals and other payables		
-Employee accruals	**4,871**	5,079
-Other payables	**17,942**	4,435
	399,075	364,343

12 Employees' end of service benefits

	2024 OMR	2023 OMR
At 1 January	**2,795**	2,665
Provision during the year	**3571**	1,177
Payments made during the year	**(2,820)**	(1,047)
At 31 December	**3,546**	2,795

13 Share capital

	2024 OMR	2023 OMR
Authorized, and fully paid up capital		
150,000 shares of OMR 1 each	**150,000**	150,000

14 Statutory reserve

In accordance with Article 132 of the Commercial Companies Law of 2019, a minimum of 10% of the net profit of the Company is to be allocated every year to a statutory reserve. No such transfer is required once the statutory reserve has reached one-third of the paid-up share capital of the Company. During the year, no transfers were made to this reserve as the amount of the reserve has reached to the threshold *(2023: AED Nil)*.

15 Cash and cash equivalents

	2024	2023
	OMR	OMR
Cash at bank	**18,431**	42,837
Cash in hand	**7,971**	5,450
	26,402	48,287

16 Contingencies

Guarantees amounting to OMR 5,000 *(2023: OMR 5,000)* were issued in favor of the Company by Bank Muscat. These were issued during the normal course of business.

17 Commitments

The Company does not have any commitments as at 31 December 2024 *(2023: Nil).*

18 Taxes

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

	2024	2023
	OMR	OMR
Current year	**-**	-
Prior years	**-**	-
Total tax expense for the year	**-**	-

Reconciliation of tax expense

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

	2024	2023
	OMR	OMR
(Loss)/Profit for the year	**(25,240)**	12,391
Income tax at 15%	**(3,786)**	1,859
Non-deductible expenses	**720**	1,199
Unrecognized deferred tax for current year	**(3,824)**	(4,795)
Deferred tax on tax losses expired during the year	**6,890**	1,737
Taxable expense for the year	**-**	-

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

Status of assessment

The assessment of the Company has been completed and agreed up to the Tax Year 2020. The assessment for Tax Years 2021 to 2023 has not yet initiated by the TA. Management is of the opinion that any additional taxes, if any, related to the open years would not be significant to the Company's financial position as at 31 December 2024.

19 Financial risk management

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

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

Risk management framework

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

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

Credit risk

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

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

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

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

	2024	2023
	OMR	OMR
Trade and other receivables *	**165,619**	129,902
Due from related parties	**117,183**	91,431
Cash at bank	**18,431**	42,837
	301,233	264,170

* Prepayments are excluded.

At 31 December 2024 and 31 December 2023, the Company's exposure of credit risk to trade receivables by geographical region was as follows:

	Gross Amount 2024	Gross Amount 2023
	OMR	OMR
Geographical regions		
Europe	**35,631**	43,340
Middle East	**28,999**	711
Commonwealth of Independent States	**43,593**	42,465
Others	**46,582**	34,186
Grand total	**154,805**	120,702

19 Financial risk management (continued)

Credit risk

The ageing of trade receivables at the reporting date was:

	Not credit-impaired 2024 OMR	**Credit impaired 2024 OMR**	Not credit-impaired 2023 OMR	Credit impaired 2023 OMR
Not yet due	**101,420**	**-**	-	-
1-30 days	**30,890**	**-**	103,998	-
31- 90 days	**21,220**	**-**	12,969	-
91- 120 days and above	**1,275**	**(5,713)**	3,735	(5,713)
Total	**154,805**	**(5,713)**	120,702	(5,713)

Impairment losses

Expected credit losses assessment for individual customers as at 31 December 2024 and 31 December 2023.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise large number of trade balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region and industry.

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

Liquidity risk

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

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

	Carrying amount OMR	**Contractual cash outflows OMR**	**1 year or less OMR**
2024			
Non derivative financial liabilities			
Trade and other payables*	**309,354**	**309,354**	**309,354**
2023			
Non derivative financial liabilities			
Trade and other payables*	272,399	272,399	272,399

**excluding advances from customers*

19 Financial risk management (continued)

Market risk

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

Currency risk

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

Capital management

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

20 Fair values

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

Fair value hierarchy
As at 31 December 2024 and 31 December 2023, there are no financial instruments carried at fair value by valuation method.

21 Use of judgments and estimates

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

Assumptions and estimation uncertainties

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

Impairment losses on receivables

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

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

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

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

22 Comparatives

Previous year reported figures have been regrouped/reclassified, wherever necessary, to conform to the current year's presentation. The reclassification of items is not considered material and does not impact the financial statement as at the beginning of the earliest comparative period. Thus, a third statement of financial position at the beginning of the earliest comparative period has not been presented.

23 Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization of the financial statements, which would have a material effect on the financial statements.

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

MANAGEMENT FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF FINANCIAL POSITION

In Jordanian dinar		As of December 31,	
	Note	**2024**	**2023**
Assets			
Current assets			
Cash and cash equivalents	4	210,073	356,368
Trade and other receivables	5	49,910	105,376
Due from related parties	9-1	-	8,826
Total Current assets		**259,983**	**470,570**
Non-Current asset			
Property and equipment	6	2,144	3,837
Right-of-use-assets	13	26,972	8,869
Deferred tax assets	8	29,134	29,134
Total Non-Current asset		**58,250**	**41,840**
Total assets		**318,233**	**512,410**
Liabilities and Owners' Equity			
Current Liabilities			
Trade and other payables	7	153,661	278,562
Due to related parties	9-2	17,173	-
Income tax provision	8	86,726	86,726
Lease liability	13	8,648	5,276
Total Current liabilities		**266,208**	**370,564**
Non-Current Liabilities			
Lease liability	13	14,518	-
Total Non-current liabilities		**14,518**	**-**
Total Liabilities		**280,604**	**370,564**
Owners' Equity			
Paid-up capital		100,000	100,000
Statutory reserve	10	25,000	25,000
Accumulated losses		(87,493)	16,846
Net Owners' Equity		**37,507**	**141,846**
Total Owners' Equity and Liabilities		**318,233**	**512,410**

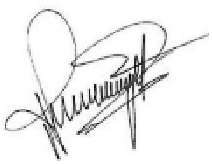
CEO **CFO**

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Jordanian dinar		For the year ended December 31,	
	Note	2024	2023
Revenue	11	218,523	950,091
Cost of revenue	11	(138,330)	(643,007)
Gross profit		**80,193**	**307,084**
Administrative expenses	12	(205,396)	(260,428)
Marketing and advertisement expenses		-	-
Expected credit loss	5	-	-
Profit/(Loss) from operations		**(125,203)**	**46,656**
Interest income/(expense), net		10,059	930
Other income	12.1	10,805	678
Profit/(Loss) before income tax		**20,864**	**48,264**
Income tax			
Current tax expense	8	-	(10,136)
Deferred tax (income) / expense	8	-	10,136
Profit/(Loss) for the year		**(104,339)**	**48,264**

CEO



CFO

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CHANGES IN OWNERS' EQUITY

In Jordanian dinar	**Paid up Capital**	**Accumulated losses**	**Statutory Reserve**	**Total**
Changes for the year ended December 31, 2024				
Balance at January 1, 2024	100,000	16,846	25,000	141,846
Total comprehensive income for the year	-	(104,339)	-	(104,339)
Balance as of December 31, 2024	100,000	(87,493)	25,000	37,507
Changes for the year ended December 31, 2023				
Balance at January 1, 2023	100,000	(31,418)	25,000	93,582
Total comprehensive income for the year	-	48,264	-	48,264
Balance as of December 31, 2023	100,000	16,846	25,000	141,846

DESERT ADVENTURES TOURISM
(PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

In Jordanian dinar		For the year ended December 31,	
	Note	**2024**	**2023**
Cash flows from operating activities			
Profit/(Loss) for the year		(104,339)	48,264
Adjustments for:			
Income tax, net	8	-	-
Interest expense on lease liability	13	252	440
Reversal of provisions		-	-
Depreciation expense		11,332	11,251
Expected credit loss	5	-	-
		(92,755)	**59,955**
Changes in:			
Trade and other receivables		55,466	99,923
Trade and other payables		(124,900)	44,342
Due from related parties		8,826	(717)
Due to related parties		17,173	(13,536)
Net cash (used in) / from operating activities before		(136,190)	189,965
Tax paid	8	-	-
Net cash from operating activities		**(136,190)**	**189,965**
Cash flows from investing activities			
Acquisition of property and equipment	6	-	(2,862)
Funds provided to a related party - net		-	-
Net cash (used in) investing activities		**-**	**(2,862)**
Cash flows from financing activity			
Payment of finance costs		(252)	(440)
Payment of lease liability	13	(9,853)	(10,270)
Net Cash (used in) financing activity		**(10,105)**	**(10,710)**
Net change in cash and cash equivalents		(146,295)	176,393
Cash and cash equivalents at the beginning of the year		356,368	179,975
Cash and cash equivalents at the year end	4	**210,073**	**356,368**

Kuoni Private Safaris Proprietary Limited
(Registration number 2002/030353/07)
Financial statements
for the year ended 31 December 2024

Kuoni Private Safaris Proprietary Limited
(Registration number 2002/030353/07)
Financial Statements for the year ended 31 December 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Providing services as a destination management company
Directors	V Barnard MK Menon
Registered office	Unit 114 First floor Bock 2 Northgate Park Corner Section Street and Platinum Road Cape Town, South Africa 7405
Business address	Unit 114 First floor Bock 2 Northgate Park Corner Section Street and Platinum Road Cape Town, South Africa 7405
Ultimate holding company	Fairfax Financial Holdings Group incorporated in Toronto, Canada
Bankers	Standard Bank of South Africa Limited
Reviewers	LPH Chartered Accountants Inc. Registered Auditors
Secretary	S Kemp
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were independently compiled by: J L du Preez, Du Preez & Vennote Inc. Chartered Accountants (S.A.)

Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards.

The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewers and their report is presented on pages 6 to 7.

The financial statements set out on pages 8 to 45, which have been prepared on the going concern basis, were approved by the directors on 24 April 2025 and were signed on their behalf by:

Approval of financial statements

V Barnard	**MK Menon**

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Kuoni Private Safaris Proprietary Limited for the year ended 31 December 2024.

1. Nature of business

Kuoni Private Safaris Proprietary Limited was incorporated in South Africa with interests in the Services industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the directors may pass on the payment of dividends.

Given the current state of the global economic environment, the directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the directors has resolved not to declare a dividend for the financial year ended 31 December 2024.

The directors do not recommend the declaration of a dividend for the year.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation
V Barnard	Chairperson	Executive
MK Menon		Executive

6. Interests in associates and joint arrangements

Details of material interests in subsidiary companies are presented in the financial statements in note 5.

The interest of the company in the profits and losses of its subsidiaries for the year ended 31 December 2024 are as follows:

	Company	
	2024 R	2023 R
Subsidaries		
Total profits before income tax	2,338,307	3,490,707

There were no significant acquisitions or divestitures during the year ended 31 December 2024.

7. Ultimate holding company

The company's ultimate holding company is Fairfax Financial Holdings Group which is incorporated in Toronto, Canada.

Directors' Report

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

We draw attention to the fact that at 31 December 2024, the company had accumulated losses of R22,377,978 (2023: R29,599,367) and that the company's total liabilities exceed its total assets by R21,877,978 (2023: R29,099,367).

Consequently, the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern has been confirmed through the intervention of the company's shareholder, which continues to provide financial support to enable the company to meet its liabilities in the ordinary course of business and which shall extend to at least the next financial year end.

Also, the fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they have become due in the normal course of business.

10. Review

The financial statements are subject to an independent review and have been reviewed by LPH Chartered Accountants Inc.

11. Secretary

The company secretary is Ms S Kemp.

12. Employees

The average number of employees for the year under review was 36 (2023: 36).

Independent Reviewer's Report

To the Shareholder of Kuoni Private Safaris Proprietary Limited

We have reviewed the financial statements of Kuoni Private Safaris Proprietary Limited, set out on pages 8 to 43, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects the financial position of Kuoni Private Safaris Proprietary Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

LPH Chartered Accountants Incorporated
Registered Auditors
Registration No: 1998/020830/21
IRBA Practice No: 900537
LPH Services Proprietary Limited
Registration No: 2018/565454/07

tel: 021 448 1360
fax: 021 448 2157
email: info@lph.co.za
web: www.lph.co.za

Physical Address:
Old Warehouse Building
Black River Park, Fir Street
Observatory
Cape Town, 7925

Postal Address:
P O Box 14043
Mowbray 7705
Cape Town

Independent Reviewer's Report

Other Reports Required by the Companies Act of South Africa

The financial statements include the Directors' Report as required by the Companies Act of South Africa. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.

LPH.

LPH Chartered Accountants Inc.
Registered Auditors
Per: ER Livesey
Chartered Accountant (SA)
Registered Auditor

30 April 2025
Cape Town

Statement of Financial Position as at 31 December 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	3,461,940	4,571,432
Intangible assets	4	261,580	284,271
Investments in subsidiaries	5	-	-
		3,723,520	**4,855,703**
Current Assets			
Loans to related parties	7	-	1,600,000
Trade and other receivables	8	13,208,237	7,008,770
Prepayments	9	7,305,007	6,876,670
Current tax receivable		172,000	54,000
Cash and cash equivalents	10	11,491,119	15,214,705
		32,176,363	**30,754,145**
Total Assets		**35,899,883**	**35,609,848**
Equity and Liabilities			
Equity			
Share capital	11	500,000	500,000
Accumulated loss		(22,377,978)	(29,599,367)
		(21,877,978)	**(29,099,367)**
Liabilities			
Non-Current Liabilities			
Loans from group companies	12	11,512,683	20,483,920
Lease liabilities	13	2,067,812	2,882,365
		13,580,495	**23,366,285**
Current Liabilities			
Trade and other payables	14	38,545,024	37,047,204
Lease liabilities	13	747,297	618,694
Provisions	15	4,905,045	3,677,032
		44,197,366	**41,342,930**
Total Liabilities		**57,777,861**	**64,709,215**
Total Equity and Liabilities		**35,899,883**	**35,609,848**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	2024	2023
Revenue	16	157,563,443	143,985,253
Cost of sales		(133,460,288)	(123,950,440)
Gross profit		**24,103,155**	**20,034,813**
Other operating income	17	6,038,486	4,821,321
Other operating gains (losses)	18	(714,558)	(1,417,638)
Other operating expenses		(21,360,692)	(21,247,998)
Operating profit (loss)	19	**8,066,391**	**2,190,498**
Investment income	20	747,286	508,911
Finance costs	21	(1,278,288)	(3,076,487)
Profit (loss) before taxation		**7,535,389**	**(377,078)**
Taxation	22	(314,000)	-
Profit (loss) for the year		**7,221,389**	**(377,078)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**7,221,389**	**(377,078)**

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 January 2023	**500,000**	**(29,222,289)**	**(28,722,289)**
Loss for the year	-	(377,078)	(377,078)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(377,078)**	**(377,078)**
Balance at 01 January 2024	**500,000**	**(29,599,367)**	**(29,099,367)**
Profit for the year	-	7,221,389	7,221,389
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**7,221,389**	**7,221,389**
Balance at 31 December 2024	**500,000**	**(22,377,978)**	**(21,877,978)**
Note(s)	11		

Statement of Cash Flows

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Cash generated from operations	23	5,320,787	14,431,264
Interest income	20	747,286	508,911
Finance costs	21	(1,278,288)	(3,076,487)
Tax paid	24	(432,000)	(54,000)
Net cash from operating activities		**4,357,785**	**11,809,688**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(8,129)	(4,957,089)
Proceeds from sale of property, plant and equipment	3	-	28,799
Purchases of intangible assets	4	(16,057)	(164,819)
Proceeds from sale of intangible assets	4	-	4,438
Net movements on loans to/from related parties	7	(7,371,237)	(4,766,347)
Net cash from investing activities		**(7,395,423)**	**(9,855,018)**
Cash flows from financing activities			
Cash repayments on lease liabilities	13	(685,948)	(453,121)
Total cash movement for the year		**(3,723,586)**	**1,501,549**
Cash and cash equivalents at the beginning of the year		15,214,705	13,713,156
Cash and cash equivalents at the end of the year	10	**11,491,119**	**15,214,705**

Accounting Policies

1. Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRIC Interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa as amended.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Material judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Loans and receivables/impairment

The company assesses its loans and receivables for impairment at each balance sheet date. in determining whether an impairment loss should be recorded in the income statement, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Key sources of estimation uncertainty

Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as estimated discounted cash flows and are used to determine fair value of financial instruments. Discounting factors are based on assumptions that correlated to market conditions existing at each balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by disounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Accounting Policies

1.2 Material judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 15.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of **property, plant and equipment** have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years
Computer equipment - PC	Straight line	5 years
Computer equipment - Server	Straight line	5 years
Leasehold improvements	Straight line	5 years
Right of use assets	Straight line	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

1.4 Intangible assets (continued)

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

The gain or loss arising from the derecognition of an intangible asset is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

1.5 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company plus any costs directly attributable to the purchase of the subsidiary.

1.6 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or

Accounting Policies

1.6 Financial instruments (continued)

- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 27 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Accounting Policies

1.6 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Loans to group companies (note 7), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 20).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 8.

Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 20).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 8.

Accounting Policies

1.6 Financial instruments (continued)

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 19).

Borrowings and loans from related parties

Classification

Loans from group companies (note 7), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 21).

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 14), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 21).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 27 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.6 Financial instruments (continued)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.7 Financial instruments: IAS 39 comparatives

Classification

The company classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category. Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Accounting Policies

1.7 Financial instruments: IAS 39 comparatives (continued)

Loans to (from) related parties

This includes a loan to the company's subsidiary and is recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.8 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

1.9 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Accounting Policies

1.9 Leases (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 19) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Details of leasing arrangements where the company is a lessee are presented in note 13 Leases (company as lessee).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

1.10 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests goodwill acquired in a business combination for impairment annually.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.10 Impairment of assets (continued)

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.11 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.12 Share based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity, are measured, indirectly, by reference to the fair value of the equity instruments granted.

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

Market conditions and non-vesting conditions are taken into account when estimating the fair value of the cash-settled share-based payment.

If the share based payments granted do not vest until the counterparty completes a specified period of service, company accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded, as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

As an exception, when the company is obligated, in terms of tax legislation, to withhold an amount of employees' tax associated with an equity-settled share-based payment transaction (thus creating a net settlement feature), the full transaction is still accounted for as an equity-settled share-based payment transaction.

Accounting Policies

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.14 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.15 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Fees received for travelling administration

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.16 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Accounting Policies

1.17 Translation of foreign currencies (continued)

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Notes to the Financial Statements

Figures in Rand	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact

Notes to the Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Computer equipment - PC	933,589	(564,771)	368,818	925,460	(428,756)	496,704
Computer equipment - Server	512,074	(512,074)	-	512,074	(507,014)	5,060
Furniture and fixtures	456,649	(456,486)	163	456,649	(456,486)	163
Leasehold improvements	953,344	(355,227)	598,117	953,344	(166,526)	786,818
Right of used asset	3,939,224	(1,444,382)	2,494,842	3,939,224	(656,537)	3,282,687
Total	**6,794,880**	**(3,332,940)**	**3,461,940**	**6,786,751**	**(2,215,319)**	**4,571,432**

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Additions**	**Depreciation**	**Total**
Computer equipment - PC	496,704	8,129	(136,015)	368,818
Computer equipment - Server	5,060	-	(5,060)	-
Furniture and fixtures	163	-	-	163
Leasehold improvements	786,818	-	(188,701)	598,117
Right of use asset	3,282,687	-	(787,845)	2,494,842
	4,571,432	**8,129**	**(1,117,621)**	**3,461,940**

Reconciliation of property, plant and equipment - 2023

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Total**
Computer equipment - PC	456,713	79,202	89,762	(128,973)	496,704
Computer equipment - Server	101,585	-	(60,961)	(35,564)	5,060
Furniture and fixtures	641	-	(171)	(307)	163
Leasehold improvements	2,321	938,663	3,840	(158,006)	786,818
Right of use asset	281,677	3,939,224	-	(938,214)	3,282,687
	842,937	**4,957,089**	**32,470**	**(1,261,064)**	**4,571,432**

Notes to the Financial Statements

4. Intangible assets

	2024			2023		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Trademarks	320,642	(99,115)	221,527	304,584	(81,364)	223,220
Computer software	6,683,855	(6,643,802)	40,053	6,683,855	(6,622,804)	61,051
Total	**7,004,497**	**(6,742,917)**	**261,580**	**6,988,439**	**(6,704,168)**	**284,271**

Reconciliation of intangible assets - 2024

	Opening balance	**Additions**	**Amortisation**	**Total**
Trademarks	223,220	16,058	(17,751)	221,527
Computer software	61,051	-	(20,998)	40,053
	284,271	**16,058**	**(38,749)**	**261,580**

Reconciliation of intangible assets - 2023

	Opening balance	**Additions**	**Disposals**	**Amortisation**	**Total**
Trademarks	77,440	164,819	(4,438)	(14,601)	223,220
Computer software	83,048	-	-	(21,997)	61,051
	160,488	**164,819**	**(4,438)**	**(36,598)**	**284,271**

5. Interests in subsidiaries

Name of company	**Held by**	**% holding 2024**	**% holding 2023**	**Carrying amount 2024**	**Carrying amount 2023**
Kuoni Private Safaris Namibia Proprietary Limited		100.00 %	100.00 %	-	-

The carrying amounts of subsidiaries are shown at cost net of impairment losses.

An amount of R4,200,000 was impaired in earlier years.

Notes to the Financial Statements

Figures in Rand	2024	2023

6. Deferred tax

Deferred tax asset

Property plant and equipment	(44)	(44)
Income received in advance	3,751,832	3,171,152
Provisions & lease liability	1,351,874	1,196,838
Prepayments	(288,154)	-
Investment	1,134,000	1,134,000
Total deferred tax asset	**5,949,508**	**5,501,946**

Reconciliation of deferred tax asset / (liability)

At beginning of year	-	-
Change in temporary difference movement on property, plant and equipment	-	(22,609)
Change in temporary difference on provisions	158,927	220,209
Change in temporary difference on prepayments	(288,154)	-
Change in temporary difference on income received in advance	580,681	(140,655)
Change in temporary difference on lease liability	(3,891)	256,969
Deferred tax asset not recognised	(447,563)	(313,914)
	-	-

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

No deferred tax asset has been recognised on the assessed loss as it is unlikely that this will be utilised over the next 12 months.

7. Loans to group companies

Subsidiaries

Kuoni Private Safaris Namibia Proprietary Limited The loan bore interest at 7% per annum and is repayable within 12 months from the date of agreement. Security for the full value of the loan was provided by group shareholders, Travel Circle International (Mauritius) Ltd.	-	1,600,000

Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Notes to the Financial Statements

Figures in Rand	2024	2023

7. Loans to group companies (continued)

Exposure to currency risk

The company is exposed to currency risk related to certain group loans receivable which are denominated in a foreign currency. Management has decided not to make use of foreign exchange contracts to hedge the risk.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Loans to subsidiaries

The net carrying amounts, in Rand, of loans to subsidiaries, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

	2024	2023
Rand amount		
Rand	-	1,600,000

Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

8. Trade and other receivables

	2024	2023
Financial instruments:		
Trade receivables	11,546,575	5,793,025
Accrued income	523,263	165,733
Trade receivables at amortised cost	12,069,838	5,958,758
Other receivables	26,495	16,538
Non-financial instruments:		
VAT	1,111,904	1,033,474
Total trade and other receivables	**13,208,237**	**7,008,770**

Split between non-current and current portions

	2024	2023
Current assets	13,208,237	7,008,770

Financial instrument and non-financial instrument components of trade and other receivables

	2024	2023
At amortised cost	12,096,333	5,975,296
Non-financial instruments	1,111,904	1,033,474
	13,208,237	**7,008,770**

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical inormation about counterparty default rates. Long standing trading relationships exist with most of the company's customers and the company reviews the credit history, predominantly based on its own records, on a cyclical basis. Based on this, the company considers the credit quality of all fully performing amounts as satisfactory.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Notes to the Financial Statements

Figures in Rand	2024	2023

8. Trade and other receivables (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

The net carrying amounts, in foreign currency of the above exposure was as follows:

	2024	2023
Rand Amount		
US Dollar	381,661	538,106
Euro	(32,459)	-
	349,202	**538,106**

	2024	2023
Rand per unit of foreign currency:		
US Dollar	18.870	18.287
Euro	19.539	20.201

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

9. Prepayments

Prepayments consists of expenses relating to the provision of services paid in advanced to secure preferential rates and early confirmation from suppliers. Prepayments are not discounted and are recognised and subsequently measured at cost.

10. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	60	(227)
Bank balances	8,040,796	7,814,669
Short-term deposits	3,450,263	7,400,263
	11,491,119	**15,214,705**

Cash and cash equivalents pledged as security

	2024	2023
Total cash and cash equivalents pledged as security for [specify the liability]	554,175	554,175

The Standard Bank of South Africa Limited has issued guarantees to some of the company's trade creditors totalling ZAR 554,175 (2023: ZAR 554,175).

The guarantees serve to secure credit terms with some of the company's suppliers and become payable on default. There have been no defaults during the current or any preceding period to date.

Notes to the Financial Statements

Figures in Rand	2024	2023

11. Share capital

Authorised		
5,000 Ordinary shares of ZAR 100 each	500,000	500,000
Issued		
5,000 Ordinary shares of ZAR 100 each	500,000	500,000

The company is a private company and accordingly the right to transfer its shares is restricted and any invitation to the public to subcribe for any shares or debentures of the company is prohibited.

12. Loans from group companies

Holding company

Travel Circle International (Mauritius) Ltd This loan comprises working capital loans issued as a result of the COVID-19 pandemic. The loan bears interest at 7.80% per annum. The loan is unsecured and has no fixed terms of repayment, but payment is not due before 31 December 2024.	11,512,681	20,483,920

Exposure to currency risk

Loans from subsidiaries

The net carrying amounts, in Rand, of loans from subsidiaries, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Foreign currency amount		
US Dollar	11,512,681	20,483,920

13. Leases (company as lessee)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

PPE subject to operating lease arrangements	2,494,842	3,282,687

Interest and expenses related to the lease

Interest expense on lease liabilities	298,221	341,468
Depreciation	787,845	938,214

Lease liabilities

Lease liabilities have been included in the borrowings line item on the statement of financial position.

The maturity analysis of lease liabilities is as follows:

Within one year	747,297	618,694
Two to five years	2,067,812	2,882,365
	2,815,109	**3,501,059**
Non-current liabilities	2,067,812	2,882,365
Current liabilities	747,297	618,694
	2,815,109	**3,501,059**

Notes to the Financial Statements

Figures in Rand	2024	2023

14. Trade and other payables

Financial instruments:		
Trade payables	22,097,108	21,113,365
Brochure contributions	(8,439)	-
Accrued expense	2,352,446	3,968,443
Other payables	208,234	220,390
Non-financial instruments:		
Amounts received in advance	13,895,675	11,745,006
	38,545,024	**37,047,204**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	24,649,348	25,302,199
Non-financial instruments	13,895,675	11,745,006
	38,545,023	**37,047,205**

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies.

Rand Amount		
Rand	21,285,209	18,198,920
US Dollar	-	612,852
Euro	(344,547)	873,781
Yen	463,410	483,575
Other	70,052	944,237
	21,474,124	**21,113,365**

Fair value of trade and other payables

Credit purchases are accepted and, for the greater part, settled on normal trading terms, thus the carrying values reasonably approximate fair values.

Notes to the Financial Statements

Figures in Rand	2024	2023

15. Provisions

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Prior year correction	Total
Provision for assurance fees	366,113	542,410	(366,113)	-	542,410
Provision for credit notes	1,865,945	826,326	133,250	-	2,825,521
Short term employees benefits	292,296	(269,769)	247,242	-	269,769
Short term provision overheads	1,152,678	818,148	(818,148)	114,667	1,267,345
	3,677,032	**1,917,115**	**(803,769)**	**114,667**	**4,905,045**

Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for assurance fees	223,116	366,113	(223,116)	366,113
Provision for credit notes	1,591,431	274,514	-	1,865,945
Short term employees benefits	239,667	(239,667)	292,296	292,296
Short term provision overheads	1,446,624	818,148	(1,112,094)	1,152,678
	3,500,838	**1,219,108**	**(1,042,914)**	**3,677,032**

Notes to the Financial Statements

Figures in Rand		2024	2023

16. Revenue

Revenue from contracts with customers			
Fees received for travelling administration		157,563,443	143,985,253

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

Rendering of services			
Fees received for travelling administration		157,563,443	143,985,253
Geographical split of revenue			
Africa (Southern)		643,632	154,271
Africa (Northern)		541,424	-
Africa (Eastern)		32,904	-
America (Northern)		8,740,306	25,648,727
America (Sourthern)		4,153,372	2,842,535
Asia (South Eastern)		54,257	570,909
Asia (Southern)		4,425,908	-
Asia (Southern Western)		80,630	-
Europe (Eastern)		1,638,556	461,911
Europe (Northern)		4,708,339	4,198,244
Europe (Sourthern)		1,234,510	-
Europe (Western)		124,579,817	106,175,632
Middle East		-	159,997
Oceania		7,556,115	4,521,745
IRFS 15 Credit Note Accrual		(826,327)	(748,718)
		157,563,443	**143,985,253**

Timing of revenue recognition

At a point in time			
Fees received for travelling administration		157,563,443	143,985,253

17. Other operating income

Administration and management fees received		3,840,820	1,637,916
Commissions received		37,753	40,029
Other recoveries		(5,351)	-
Net gain on cost of sales		2,165,264	751,697
Marketing income		-	332,380
Other income		-	2,059,299
		6,038,486	**4,821,321**

18. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	-	(8,109)
Foreign exchange gains (losses)			
Net foreign exchange loss		(714,558)	(1,409,529)
Total other operating gains (losses)		**(714,558)**	**(1,417,638)**

Notes to the Financial Statements

Figures in Rand	2024	2023

19. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

	2024	2023
Professional services		
Assurance fees	382,797	352,297
Employee costs		
Salaries, wages, bonuses and other benefits	14,183,706	12,809,413
Other short-term costs and allowances	156,097	177,525
Long term incentive scheme	1,266,007	695,496
Total employee costs	**15,605,810**	**13,682,434**
Depreciation and amortisation		
Depreciation of property, plant and equipment	1,117,621	1,261,064
Amortisation of intangible assets	38,748	36,598
Total depreciation and amortisation	**1,156,369**	**1,297,662**

20. Investment income

	2024	2023
Interest income		
Investments in financial assets:		
Surplus funds	747,286	508,911

21. Finance costs

	2024	2023
Loans from group companies	979,441	2,552,970
Lease liability (right of use asset)	298,847	523,517
Total finance costs	**1,278,288**	**3,076,487**

22. Taxation

Major components of the tax expense

	2024	2023
Current		
Local income tax - current period	314,000	-

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2024	2023
Accounting profit	7,535,389	(377,078)
Tax at the applicable tax rate of 27% (2023: 28%)	2,034,555	(105,582)
Tax effect of adjustments on taxable income		
Deferred tax effect income	(1,720,555)	105,582
	314,000	**-**

The estimated tax loss available for set off against future taxable income is R 23,864,724 (2023: R 29,679,544).

Notes to the Financial Statements

Figures in Rand	2024	2023

23. Cash generated from operations

	2024	2023
Profit before taxation	7,535,390	(377,078)
Adjustments for non-cash items:		
Depreciation and amortisation	1,156,369	1,297,662
Losses on disposals, scrappings and settlements of assets and liabilities	-	8,109
Losses on exchange differences	714,558	1,409,529
Movements in provisions	1,228,013	176,194
Non cash: Lease liabilities	-	3,501,059
Adjust for items which are presented separately:		
Interest income	(747,286)	(508,911)
Finance costs	1,278,288	3,076,487
Changes in working capital:		
(Increase) decrease in trade and other receivables	(6,914,025)	6,746,761
(Increase) decrease in prepayments	(428,337)	(2,657,424)
Increase (decrease) in trade and other payables	1,497,817	1,758,876
	5,320,787	**14,431,264**

24. Tax paid

	2024	2023
Balance at beginning of the year	54,000	-
Current tax recognised in profit or loss	(314,000)	-
Balance at end of the year	(172,000)	(54,000)
	(432,000)	**(54,000)**

Notes to the Financial Statements

Figures in Rand	2024	2023

25. Related parties

Relationships

Ultimate holding company	Fairfax Financial Holdings Group
Subsidiaries	Refer to note 5
Shareholder	Travel Circle International (Mauritius) Ltd
Parent companies	SOTC Travel Limited
Associates	Thomas Cook India Ltd
Fellow susidiaries	Desert Adventures Tourism LLC, Dubai, UAE
	Gulf Dunes LLC, Dubai
	Reem Tours & Travels LLC, Dubai
	Private Safaris (East Africa) Ltd. (Kenya)
	Kuoni Australia Holding Pty. Ltd.
	DEI Holdings Limited (UAE)
Members of key management	V Barnard
	S Kemp

Related party balances

	2024	2023
Loan accounts - Owing (to) by related parties		
Travel Circle International (Mauritius) Ltd	(11,512,681)	(20,483,920)
Amounts included in Trade receivable		
Kuoni Private Safaris Namibia Proprietary Limited	531,591	1,448,155
Private Safaris (East Africa) Limited	52,271	24,066
SOTC Travel Limited	183,237	-
Amounts included in Trade payables		
Desert Adventures Tourism	-	12,999
SOTC Travel Limited	-	9,483
Travel Corporation India Ltd	66,611	-
Thomas Cook India Ltd	70,052	934,756

Related party transactions

	2024	2023
Sales		
Kuoni Private Safaris Namibia Proprietary Limited	182,791	1,033,313
Kuoni Private Safaris (East Africa) Limited	66,650	-
SOTC Travel Limited	3,087,866	-
Expenditure from related parties		
Kuoni Private Safaris Namibia Proprietary Limited	37,716	30,214
Travel Corporation India Ltd	108,691	5,652
Thomas Cook India Ltd	1,283,132	577,063
Private Safaris (East Africa) Limited	-	1,033,313

Notes to the Financial Statements

Figures in Rand	2024	2023

26. Directors' emoluments

Executive

2024

Directors' emoluments	**Emoluments**	**Total**
V Barnard	1,380,000	1,380,000

2023

Directors' emoluments	**Emoluments**	**Total**
V Barnard	1,200,000	1,200,000

27. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	**Amortised cost**	**Total**	**Fair value**
Trade and other receivables	8	12,096,333	12,096,333	12,096,333
Cash and cash equivalents	10	11,491,119	11,491,119	11,491,119
		23,587,452	**23,587,452**	**23,587,452**

2023

	Note(s)	**Amortised cost**	**Total**	**Fair value**
Loans to related parties	7	1,600,000	1,600,000	1,600,000
Trade and other receivables	8	5,975,296	5,975,296	5,975,296
Cash and cash equivalents	10	15,214,705	15,214,705	15,214,705
		22,790,001	**22,790,001**	**22,790,001**

Notes to the Financial Statements

Figures in Rand	2024	2023

27. Financial instruments and risk management (continued)

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	24,649,348	-	24,649,348	26,649,348
Loans from group companies	12	11,512,681	-	11,512,681	11,512,681
Lease liabilities	13	-	2,815,109	2,815,109	2,815,109
		36,162,029	**2,815,109**	**38,977,138**	**40,977,138**

2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	14	25,302,199	-	25,302,199	25,203,199
Loans from group companies	12	20,494,785	-	20,494,785	20,494,785
Lease liabilities	13	-	3,501,059	3,501,059	3,501,059
		45,796,984	**3,501,059**	**49,298,043**	**49,199,043**

Capital risk management

The company's objective when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 13, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		2024	2023
Loans from group companies	12	11,512,681	20,494,785
Lease liabilities		2,815,109	3,501,059
Trade and other payables	14	38,545,023	37,047,205
Total borrowings		**52,872,813**	**61,043,049**
Cash and cash equivalents	10	(11,491,119)	(15,214,705)
Net borrowings		**41,381,694**	**45,828,344**
Equity		(21,877,975)	(29,099,367)
Gearing ratio		(189)%	(157)%

27. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's overall risk management progarm focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out under policies approved by the directors.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratingsin accordance with limits set by the board.

The utilisation of credit limits is regularly monitored. Credit loss allowances for expected credit losses are recognised for all debt instruments.

The maximum exposure to credit risk is presented in the table below:

Notes to the Financial Statements

Figures in Rand	2024	2023

27. Financial instruments and risk management (continued)

		2024			2023		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans to group companies	7	-	-	-	1,600,000	-	1,600,000
Trade and other receivables	8	13,208,237	-	13,208,237	7,008,770	-	7,008,770
Cash and cash equivalents	10	11,491,119	-	11,491,119	15,215,120	-	15,215,120
		24,699,356	**-**	**24,699,356**	**23,823,890**	**-**	**23,823,890**

Liquidity risk

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequaute utilised borrowing facilities are monitored.

Foreign currency risk

The company operates internationally and is exposed to foreign exchange rate risk arising from various currency exposures. The company minimises exposure by purchasing and selling services through the use of current foreign currency accounts the company holds in all the major currencies it trades in.

The company does not hedge foreign exchange fluctuations. At year end the following items are uncovered:

Notes to the Financial Statements

Figures in Rand		2024	2023

27. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:
Foreign currency exposure:

		2024	2023
Current assets:			
Trade and other receivables - USD	8	381,661	538,106
Trade and other receivables - EUR		(32,459)	-
CFC bank accounts - USD	10	3,675,516	2,762,735
CFC bank accounts - EUR		5,632	412,258
Current liabilities:			
Trade creditors - USD	14	-	612,852
Trade creditors - EUR	10	(344,547)	873,781
Trade creditors - CHF		463,410	483,575
Trade creditors - INR		70,052	944,238
Net foreign currency exposure		**4,219,265**	**6,627,545**
Euro exposure:			
Non-current liabilities:			
Loan from group companies	12	(11,512,681)	(20,483,920)

Exchange rates

	2024	2023
Rand per unit of foreign currency:		
USD	18.870	18.287
EUR	19.539	20.014
AED	5.137	4.979
CHF	20.822	21.728
INR	0.220	0.219

Interest rate risk

The company is exposed to interest rate risk in South Africa and Namibia. The company does not make use of interest rate derivatives and is therefore only exposed to variable interest rates.

Change in market interest rates affect the interest income of non-derivative variable interest rate financial instruments, the interest payments are of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of the income related sensitivity.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2024	2024	2023	2023
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on profit or loss:				
Cash and cash equivalents (1%)	114,911	(114,911)	152,147	(152,147)

Detailed Income Statement

Figures in Rand	Note(s)	2024	2023
Revenue			
Rendering of services		157,563,443	143,985,253
Cost of sales			
Purchases		(133,460,288)	(123,950,440)
Gross profit		**24,103,155**	**20,034,813**
Other operating income			
Administration and management fees received		3,840,820	1,637,916
Commissions received		37,753	40,029
Other recoveries		(5,351)	-
Prior year GOP income		2,165,264	751,697
Markerting income		-	332,380
Other income		-	2,059,299
	17	**6,038,486**	**4,821,321**
Other operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		-	(8,109)
Foreign exchange losses		(714,558)	(1,409,529)
	18	**(714,558)**	**(1,417,638)**
Expenses (Refer to page 45)		**(21,360,692)**	**(21,247,998)**
Operating profit (loss)	19	**8,066,391**	**2,190,498**
Investment income	20	747,286	508,911
Finance costs	21	(1,278,288)	(3,076,487)
Profit (loss) before taxation		**7,535,389**	**(377,078)**
Taxation	22	(314,000)	-
Profit (loss) for the year		**7,221,389**	**(377,078)**

Detailed Income Statement

Figures in Rand	Note(s)	2024	2023
Other operating expenses			
Administration and management fees		1,406,469	356,794
Advertising		(204,250)	(86,077)
Amortisation		(38,748)	(36,598)
Assurance fees	19	(382,797)	(352,297)
Bad debts		(2,035)	3,536
Bank charges		(289,096)	(269,608)
Legal fees		-	(10,422)
Consulting and professional fees		-	(18,000)
Depreciation		(1,117,621)	(1,261,064)
Donations		(24,429)	(24,860)
Employee costs		(15,605,810)	(13,682,434)
Entertainment		(23,206)	(15,961)
Accounting fees		(15,074)	(4,724)
Office expenses		(223,190)	(317,988)
Assets < R7,500		(5,107)	(18,870)
Sundry expenses		(4,293)	6,257
Lease rentals on operating lease		(174,458)	(238,686)
IT expenses		(2,911,111)	(2,787,236)
Insurance		(295,187)	(296,998)
Promotions		(1,223,016)	(2,097,879)
Repairs and maintenance		(14,997)	95,626
Security		(6,633)	(5,602)
Subscriptions		(23,127)	(41,544)
Travel - local		(89,490)	(112,580)
Travel - overseas		(93,486)	(30,783)
		(21,360,692)	**(21,247,998)**

Kuoni Private Safaris Namibia (Proprietary) Limited
(Registration number 2006/511)
Annual Financial statements
for the year ended 31 December 2024

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The company carry on the business of tourism, arrange and operate services for travel agents, tour operators, cruise liners, travel packages wholesale and logistics and all business related thereto.
Director	Virginia Barnard
Registered office	61 Simeon Shixungileni Street Windhoek Namibia
Business address	Suit 320, Regus Business Centre 3rd Floor Office Towers Tel:+264 83 330 7479 I info.na@privatesafaris.com Maerua Mall Windhoek Namibia
Holding company	Kuoni Private Safaris (Pty) Ltd incorporated in South Africa
Ultimate holding company	Fairfax Financial Holdings Group Limited incorporated in Toronto, Canada
Bankers	Standard Bank Namibia Limited
Auditors	BDO Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Sage Secretarial Services (Pty) Ltd
Company registration number	2006/511
Tax reference number	4297241011

Contents

Director's Responsibilities and Approval

The director is required in terms of the Companies Act of Namibia to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is her responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The director acknowledges that she is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, she is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 30, which have been prepared on the going concern basis, were approved by the board on 19.05.2025 and were signed by:

Approval of financial statements

Director

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Fax: +264 833 22 4126
Email: info@bdo.com.na

61 Simeon Shixungileni Street
P.O. Box 2184
WINDHOEK
Namibia

INDEPENDENT AUDITOR'S REPORT

To the Member of Kuoni Private Safaris Namibia (Proprietary) Limited

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of Kuoni Private Safaris Namibia (Proprietary) Limited set ("the company") set out on pages 7 to 30, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of material accounting policy information and the director's report.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Annual Financial Statements*" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The director is responsible for the other information. The other information comprises the Detailed Income Statement, which we obtained prior to the date of this auditor's report. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director for the Annual financial statements

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

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

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

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

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

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

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of section 283 (3) of the Companies Act of Namibia, we report that with the written consent of the shareholder, we have performed certain secretarial duties on behalf of the company.

BDO Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: JSW de Vos | **20 May 2025**
Partner | **Windhoek**

Director's Report

The director has pleasure in submitting her report on the annual financial statements of Kuoni Private Safaris Namibia (Pty) Ltd for the year ended 31 December 2024.

1. Nature of business

To carry on the business of tourism, arrange and operate services for travel agents, tour operators, cruise lines, travel packages wholesale and logistics and all businesses related thereto.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policy information has been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The board do not recommend the declaration of a dividend for the year.

5. Directorate

The director in office at the date of this report is as follows:

Director	Nationality
Virginia Barnard	German

6. Holding company

The company's holding company is Kuoni Private Safaris (Pty) Ltd incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Fairfax Financial Holdings Group Limited which is incorporated in Toronto, Canada.

8. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report.

Director's Report

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied herself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Secretary

The company secretary is Sage Secretarial Services (Pty) Ltd.

Postal address:	PO Box 2184 Windhoek Namibia
Business address:	61 Simeon Shixungileni Street Windhoek Namibia

11. Terms of appointment of the auditors

BDO Namibia continued in the office as auditors for the company for 2024.

Statement of Financial Position as at 31 December 2024

Figures in Namibia Dollar	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	93,900	120,745
Intangible assets	4	11	11
Deferred tax	5	32,425	32,425
		126,336	**153,181**
Current Assets			
Trade and other receivables	6	2,384,530	2,678,194
Cash and cash equivalents	7	5,304,342	8,219,853
		7,688,872	**10,898,047**
Total Assets		**7,815,208**	**11,051,228**
Equity and Liabilities			
Equity			
Share capital	8	19,987,120	19,987,120
Accumulated loss		(27,713,546)	(29,965,343)
		(7,726,426)	**(9,978,223)**
Liabilities			
Non-Current Liabilities			
Loan from shareholder	11	-	1,600,000
Current Liabilities			
Trade and other payables	9	15,453,100	19,429,451
Current tax payable		88,534	-
		15,541,634	**19,429,451**
Total Liabilities		**15,541,634**	**21,029,451**
Total Equity and Liabilities		**7,815,208**	**11,051,228**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Namibia Dollar	Note(s)	2024	2023
Revenue	13	112,575,163	112,587,026
Cost of sales	14	(97,804,316)	(98,478,559)
Gross profit		**14,770,847**	**14,108,467**
Other operating income	15	48,327	(74,534)
Other operating losses	16	134,289	(127,943)
Other operating expenses		(12,758,642)	(10,701,233)
Operating profit	17	**2,194,821**	**3,204,757**
Investment income	18	146,092	285,950
Finance costs	19	(578)	-
Profit before taxation		**2,340,335**	**3,490,707**
Taxation	20	(88,534)	-
Total comprehensive income for the year		**2,251,801**	**3,490,707**

Statement of Changes in Equity

Figures in Namibia Dollar	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 1 January 2023	**3,001,000**	**16,986,120**	**19,987,120**	**(33,456,050)**	**(13,468,930)**
Total comprehensive income for the year	**-**	**-**	**-**	**3,490,707**	**3,490,707**
Balance at 1 January 2024	**3,001,000**	**16,986,120**	**19,987,120**	**(29,965,347)**	**(9,978,227)**
Total comprehensive income for the year	**-**	**-**	**-**	**2,251,801**	**2,251,801**
Balance at 31 December 2024	**3,001,000**	**16,986,120**	**19,987,120**	**(27,713,546)**	**(7,726,426)**
Note(s)	8	8	8		

Statement of Cash Flows

Figures in Namibia Dollar	Note(s)	2024	2023
Cash flows from operating activities			
Cash used in operations	21	(1,573,235)	(4,006,316)
Net cash used in operating activities		**(1,427,721)**	**(3,720,366)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	-	(18,963)
Net cash used in investing activities		**-**	**(18,963)**
Cash flows from financing activities			
Proceeds from shareholder loan		(1,487,790)	1,472,053
Net cash (used in) / from financing activities		**(1,487,790)**	**1,472,053**
Total cash movement for the year		**(2,915,511)**	**(2,267,276)**
Cash at the beginning of the year		8,219,853	10,487,129
Total cash at end of the year	7	**5,304,342**	**8,219,853**

Accounting Policy Information

1. Material accounting policy information

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the Companies Act of Namibia. The annual financial statements have been prepared on the historic cost convention, and incorporate the principal accounting policy information set out below. They are presented in Namibia Dollar.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgments, estimates and assumptions that affect the application of policy information and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policy information

The critical judgments made by management in applying accounting policy information, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Taxation

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Accounting Policy Information

1.2 Property, plant and equipment (continued)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	3-5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.3 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 years

1.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.
Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Accounting Policy Information

1.4 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.
For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available- for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Loans to / (from) related parties

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.
Loans to group companies are classified as loans and receivables.
Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value

Accounting Policy Information

1.4 Financial instruments (continued)

Fair value measurement hierarchy

IFRS 13 requires certain disclosure which require the classification of financial assets and financial liabilities measured at fair value using a fair value measurement hierarchy. The company determines the fair value of its financial statements on the basis of the following hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is derived from prices); and

Level 3 - inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Accounting Policy Information

1.6 Leases

All leases of low value assets and leases with a duration of 12 months or less are recognised in the statement of profit or loss.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
• amounts expected to be payable under any residual value guarantee;
• the exercise price of any purchase option granted in favour of the company if it is reasonable certain to assess that option;
• any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
• lease payments made at or before commencement of the lease;
• initial direct costs incurred; and
• the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease terms.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.
The discount rate used in calculating the present value of the minimum lease payments is the.
The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

1.7 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

Accounting Policy Information

1.7 Impairment of non-financial assets (continued)

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.10 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised.

1.11 Revenue

The company recognises revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.
For each contract with a customer;
- identifies the contract with a customer
- identifies the performance obligations in the contract;

Accounting Policy Information

1.11 Revenue (continued)

- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered;
- and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the or services promised;

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by the travel dates of bookings completed at reporting date

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Cost of sales

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Namibia Dollars by applying to the foreign currency amount the exchange rate between the Namibia Dollar and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Presentation and Disclosures in Financial Statements: IFRS 18	1 January 2024	Impact not material
• Subsidiaries without Public Accountability: Disclosures :IFRS 19	1 January 2024	Impact not material
• Other 4		

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 1 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Lack of exchangeability: amendments to IAS 21	1 January 2025	Unlikely there will be a material impact
• Amendments to Financial Instruments: Disclosures : IFRS 7	1 January 2026	Unlikely there will be a material impact
• Amendments to Financial Instruments: Disclosures : IFRS 9	1 January 2026	Unlikely there will be a material impact
• Amendments to Statement of Cash Flows: IAS 10	1 January 2026	Unlikely there will be a material impact
• Amendments to Financial Instruments: Classification and Measurement : IFRS 9	1 January 2026	Unlikely there will be a material impact
• Subsidiaries without Public Accountability: Disclosure: IFRS 18	1 January 2027	Unlikely there will be a material impact

The directors are in the process of assessing the aggregate impact of the initial application of the standards and interpretations on the company's annual financial statements, but it is not expected to be material.

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2024			2023		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	228,409	(228,353)	56	228,409	(228,353)	56
IT equipment	1,091,543	(997,699)	93,844	1,069,464	(948,775)	120,689
Total	**1,319,952**	**(1,226,052)**	**93,900**	**1,297,873**	**(1,177,128)**	**120,745**

Reconciliation of property, plant and equipment

		Furniture and fixtures	IT equipment	Total
Cost				
At 1 January 2023	-	228,409	1,050,501	1,278,910
Additions	-	-	18,963	18,963
At 31 December 2023	**-**	**228,409**	**1,069,464**	**1,297,873**
Depreciation	-	-	22,079	22,079
Depreciation and impairment				
At 1 January 2023	-	(228,353)	(897,837)	(1,126,190)
Depreciation	-	-	(50,938)	(50,938)
At 31 December 2023	**-**	**(228,353)**	**(948,775)**	**(1,177,128)**
Depreciation	-	-	(48,924)	(48,924)
At 31 December 2024	**-**	**(228,353)**	**(997,699)**	**(1,226,052)**

Carrying amount

Cost	-	228,409	1,069,464	1,297,873
Accumulated depreciation and impairment	-	(228,353)	(948,775)	(1,177,128)
At 31 December 2023	**-**	**56**	**120,689**	**120,745**
Cost	-	228,409	1,091,543	1,319,952
Accumulated depreciation and impairment	-	(228,353)	(997,699)	(1,226,052)
At 31 December 2024	**-**	**56**	**93,844**	**93,900**

4. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	1,091,413	(1,091,402)	11	1,091,413	(1,091,402)	11

Reconciliation of intangible assets - 2024

	Opening balance	Total
Computer software	11	11

Notes to the Annual Financial Statements

4. Intangible assets (continued)

Reconciliation of intangible assets - 2023

	Opening balance	Total
Computer software	11	11

5. Deferred tax

Deferred tax liability

Property plant and equipment	39,450	39,450
Other deferred tax liability	(7,025)	(7,025)
Total deferred tax liability	**32,425**	**32,425**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	32,425	32,425

Reconciliation of deferred tax asset / (liability)

At beginning of year	32,425	32,425
Current year timing differences	(16,817)	(501,147)
Increases (decrease) in tax loss available for set off against future taxable income	(718,917)	(615,879)
Reduction due to rate change (32% to 30%)	(2,026)	-
Deferred asset not recognised	737,760	1,117,026
	32,425	**32,425**

6. Trade and other receivables

Financial instruments:		
Trade receivables	1,624,934	1,014,740
Deposits	51,348	49,921
Other receivables	-	133,836
Non-financial instruments:		
Value Added Tax	381,816	1,080,314
Prepayments	326,432	399,383
Total trade and other receivables	**2,384,530**	**2,678,194**

Split between non-current and current portions

Current assets	2,384,530	2,678,194

Notes to the Annual Financial Statements

6. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 December 2024 N$nill (2023: N$186,762) were past due but not impaired.

The amounts past due but not impaired is as follows:

	2024 3 months past due	2024 Total	2023 3 months past due	2023 Total
Trade receivables	-	-	186,762	186,762
Total	**-**	**-**	**186,762**	**186,762**

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1,229	1,256
Bank balances	5,014,690	7,776,176
Short-term deposits	288,423	442,421
	5,304,342	**8,219,853**

8. Share capital

Authorised		
3,000,000 Ordinary shares of N$ 1.00 each	3,000,000	3,000,000
Issued		
3,000,000 Ordinary shares of N$ 1.00 each	3,000,000	3,000,000
1,000 Preference Shares of N$1.00 each issued at a premium of N$16,986.12 each	1,000	1,000
Share premium on preference shares	16,986,120	16,986,120
	19,987,120	**19,987,120**

9. Trade and other payables

Financial instruments:		
Trade payables	3,869,368	8,157,741
Operating lease liability	43,440	14,216
Accruals	8,919,140	8,823,917
Non-financial instruments:		
Amounts received in advance	2,621,152	2,433,577
	15,453,100	**19,429,451**

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023

10. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below

2024	Financial assets at amortised cost	Total
Trade and other receivables	1,624,934	1,624,934
Cash and cash equivalents	5,304,342	5,304,342
	6,929,276	**6,929,276**

2023	Financial assets at amortised cost	Total
Trade and other receivables	1,064,661	1,064,661
Cash and cash equivalents	8,219,853	8,219,853
	9,284,514	**9,284,514**

11. Loans from group companies

Holding company

	2024	2023
Kuoni Private Safaris South Africa (Pty) Ltd	-	1,600,000

The loan was fully repaid in current year.

12. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below

2024	Financial liabilities at amortised cost	Total
Trade and other payables	15,453,101	18,482,370
	15,453,101	**18,482,370**

2023	Financial liabilities at amortised cost	Total
Trade and other payables	16,882,370	16,882,370
Loan from related party	1,600,000	1,600,000
	18,482,370	**18,482,370**

13. Revenue

	2024	2023
Fees received from traveling administration	112,575,163	112,587,026

Notes to the Annual Financial Statements

Figures in Namibia Dollar		2024	2023

13. Revenue (continued)

Disaggregation of revenue from contracts with customers

The company disaggregate's revenue from customers as follows:

		2024	2023
At a point in time			
Fees received from traveling administration		112,575,163	112,587,026
Timing of revenue recognition			
At a point in time			
Fees received from traveling administration		112,575,163	112,587,026

14. Cost of sales

		2024	2023
Rendering of travel administration services		97,804,316	98,478,559
Rendering of services			
Cost of rendering travel administration services		97,804,316	98,478,559

15. Other operating (expenses) / income

		2024	2023
Brochure Contributions		48,327	(74,534)

16. Other operating losses

		2024	2023
Gains (losses) on disposals			
Property, plant and equipment	3	-	(18,424)
Foreign exchange gains (losses)			
Net foreign exchange gains (losses)		134,289	(109,519)
Total other operating losses		**134,289**	**(127,943)**

17. Operating profit (loss)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

		2024	2023
Auditor's remuneration - external			
Audit fees		203,143	290,065
Remuneration, other than to employees			
Administrative and managerial services		1,988,378	1,028,673
Consulting and professional services		19,530	24,790
Secretarial services		17,640	17,640
		2,025,548	**1,071,103**
Employee costs			
Salaries, wages, bonuses and other benefits		7,047,959	5,563,316

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023

17. Operating profit (loss) (continued)

Depreciation and amortisation

Depreciation of property, plant and equipment	48,924	50,937

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, and other operating expenses are analysed by nature as follows:

Costs to render travel administration services	97,804,316	98,478,559
Employee costs	7,047,959	5,563,316
Depreciation and amortisation	48,924	50,937
Other expenses	5,661,759	5,086,980
	110,562,958	**109,179,792**

18. Investment income

Interest income
Investments in financial assets:

Bank	146,092	285,950

19. Finance costs

Interest paid	578	-

20. Taxation

Major components of the tax expense

Current

Local income tax - current period	88,534	-

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	2,340,335	3,490,707
Tax at the applicable tax rate of 31% (2023: 32%)	725,504	1,117,026
Tax effect of adjustments on taxable income		
Tax losses not utilised	(636,970)	(1,117,026)
	88,534	**-**

The company made a tax provision in line with Section 21 (Revised). Under this Section, for the purpose of determining the taxable income derived by the taxpayer from carrying on a trade, there is set-off against the income so derived of any balance of assessed loss incurred by the taxpayer in a previous year which has been carried forward from the preceding year of assessment, provided that the amount allowed as set-off does not exceed N$ 1 million or 80% of the amount of the current year's taxable income determined, whichever is the greater. This is effective for the years iof assessments beginning on or after 01 January 2024.

The company had current year's taxable income of N$ 1,434,295 of which 80% (N$1,147,436) was utilised to set-off against the carried-forward assessed tax losses of N$ 19,781,113.

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023

20. Taxation (continued)

The estimated tax loss available for set off against future taxable income is N$ 18,633,676 (2023: N$19,781,114).

21. Cash used in operations

	2024	2023
Profit before taxation	2,340,335	3,490,707
Adjustments for:		
Depreciation and amortisation	48,924	50,937
Losses on disposals of assets	-	18,424
(Gains) / losses on foreign exchange	(134,289)	109,519
Interest income	(146,092)	(285,950)
Finance costs	578	-
Changes in working capital:		
Trade and other receivables	293,664	(1,598,986)
Trade and other payables	(3,976,355)	(5,790,967)
	(1,573,235)	**(4,006,316)**

22. Tax refunded / (paid)

	2024	2023
Current tax for the year recognised in profit or loss	(88,534)	-
Balance at end of the year	88,534	-
	-	-

23. Related parties

Relationships	
Ultimate holding company	Fairfax Financial Holdings Group Limited
Holding company	Kuoni Private Safaris (Pty) Ltd

Related party balances

	2024	2023
Loan accounts - Owing (to) by related parties		
Kuoni Private Safaris (Pty) Ltd	-	(1,600,000)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Kuoni Private Safaris (Pty) Ltd	(531,591)	(3,601,912)

Related party transactions

	2024	2023
Purchases from related parties		
Kuoni Private Safaris (Pty) Ltd	1,988,378	1,899,084
Administration fees paid to related parties		
Kuoni Private Safaris (Pty) Ltd	182,791	1,028,673

Notes to the Annual Financial Statements

Figures in Namibia Dollar		2024	2023

24. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of budgeted expenditure. The company uses working capital and loan from its shareholder to fund capital and operational expenses. The company also issued preference shares to the shareholder subsequent to year-end for additional capital contribution.

The gearing ratio at 2024 and 2023 respectively were as follows:

Loans from group companies	11	-	1,600,000
Trade and other payables	9	15,453,101	19,429,456
Total borrowings		**15,453,101**	**21,029,456**
Cash and cash equivalents	7	(5,304,342)	(8,219,853)
Net borrowings		**10,148,759**	**12,809,603**
Equity		(7,726,425)	(9,978,227)
Gearing ratio		(131)%	(128)%

Notes to the Annual Financial Statements

Figures in Namibia Dollar	2024	2023

24. Risk management (continued)

Financial risk management

The company is exposed to market risk through its use of financial instruments and specifically to liquidity risk, interest risk and credit risk which results from both its operating and investing activities. The company's risk management is coordinated by its ultimate parent, in co-operation with the board of directors, and focuses on actively securing the company's short to medium term cash flows by minimising the exposure to financial markets and institutions. The company does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the company is exposed to are described below

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management does not foresee any material cash expenditure in the near future which could result in the utilisation of the bank account.

The company’s risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through rolling forecast of the company's liquidity reserves (comprise undrawn borrowing facility and cash and cash equivalents).

The table below analyses the company’s financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2024

		Carrying amount
Current liabilities		
Trade and other payables	9	15,453,101

2023

		Carrying amount
Current liabilities		
Trade and other payables	9	19,429,451

Notes to the Annual Financial Statements

24. Risk management (continued)

Interest rate risk

As the company has no significant interest-bearing assets, the company’s income and operating cash flows are substantially independent of changes in market interest rates.

The company’s interest rate risk arises from financing from a group company. This loan issued at a variable interest rate of nil (2023: N$nill) exposes the group to cash flow interest rate risk.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Detailed Income Statement

Figures in Namibia Dollar	Note(s)	2024	2023
Revenue			
Fees received for traveling administration	13	112,575,163	112,587,026
Cost of sales			
Cost incurred for rendering of travel administration services	14	(97,804,316)	(98,478,559)
Gross profit		**14,770,847**	**14,108,467**
Other operating income			
Brochure Contributions		48,327	(74,534)
Other operating losses			
Losses on disposal of assets		-	(18,424)
Foreign exchange losses		134,289	(109,519)
	16	**134,289**	**(127,943)**
Other operating expenses			
Accounting fees		-	(50,617)
Administration and management fees		(1,988,378)	(1,028,673)
Advertising		(642,285)	(395,763)
Auditor's remuneration - external audit	17	(203,143)	(290,065)
Bad debts		(274)	13,791
Bank charges		(302,338)	(249,476)
Commission paid		(141,672)	(678,114)
Consulting and professional fees		(7,230)	25,827
Consulting and professional fees - legal fees		(12,300)	-
Consumables		(4,493)	(6,193)
Delivery expenses		(55,398)	(54,326)
Depreciation		(48,924)	(50,937)
Employee costs		(7,047,959)	(5,563,316)
Entertainment		(4,074)	(13,777)
Insurance		(164,063)	(161,155)
Miscellaneous office expenses		(36,775)	(37,935)
Motor vehicle expenses		(5,572)	(9,621)
Printing and stationery		(5,084)	(18,286)
Promotions		(4,705)	-
Rent		(460,707)	(304,457)
Repairs and maintenance		(8,301)	24,859
Secretarial fees		(17,640)	(17,640)
Subscriptions		(5,040)	(3,478)
Supplier overrides		273,987	(388,829)
Telephone and fax		(1,647,192)	(1,386,936)
Training		(8,663)	-
Travel - overseas		(210,419)	(56,116)
		(12,758,642)	**(10,701,233)**
Operating profit	17	**2,194,821**	**3,204,757**
Investment income	18	146,092	285,950
Finance costs	19	(578)	-
Profit before taxation		**2,340,335**	**3,490,707**
Taxation	20	(88,534)	-
Total comprehensive income / (loss) for the year		**2,251,801**	**3,490,707**

PRIVATE SAFARIS (EAST AFRICA) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	: Madhavan Karunakaran Menon (Indian) : Alexander Andor Spiro (Swiss)
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	: LR. No. 214/250 : 2nd floor, Ola Plaza : Muthaiga Road : P.O. Box 16913, 00620 : NAIROBI
INDEPENDENT AUDITOR	: PKF Kenya LLP : Certified Public Accountants : P.O. Box 14077, 00800 : NAIROBI
COMPANY SECRETARIES	: Scribe Services Secretaries : Certified Public Secretaries : 3rd Floor, Westpark Suites : Ojijo Road : P.O. Box 3085, 00100 : NAIROBI
PRINCIPAL BANKERS	: Citibank N.A. : NAIROBI : Standard Chartered Bank Kenya Limited : NAIROBI

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 December 2024, which present the financial position of the company as at 31 December 2024 and their financial performance and cash flows for the year then ended.

PRINCIPAL ACTIVITY

The principal activity of the company is that of tour operations.

BUSINESS REVIEW

During the year 2024 the total revenue of the company decreased from Shs. 2,147,149,832 to Shs.1,760,079,860. This decrease is mainly as a result of the loss of one of their key sales agent who became insolvent.

Key performance indicators	**2024**	**2023**
Revenue (Shs '000)	1,760,080	2,147,150
Gross profit (Shs '000)	302,180	343,647
Gross profit margin (%)	17.17%	16.00%
(Loss)/profit for the year (Shs '000)	(28,508)	127,891
EBITDA (Shs '000)	(18,271)	208,238

PRINCIPAL RISKS AND UNCERTAINTIES

Kenya's economy is the largest in East and Central Africa and has experienced considerable growth in the past few years with average growth rate of over 5%. Although the economy remains small by global standards, it is distinguished from most African countries by the fact that it is one of the most diversified and advanced.

Political stability
The country experienced continued political stability throughout the year. The tourism environment has enjoyed the stability and consequently contributed to the recorded growth.

Security situation
The security situation remained stable in the year with sustained investment in the same by the Government.

In addition to the business risks discussed above, the company's activities expose it to a number of financial risks which are described in detail in Note 20 to the financial statements.

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2023: Nil).

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

(a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

(b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Kenya LLP continues in office in accordance with the company's Articles of Association and Section 719 of the Kenyan Companies Act, 2015. The director monitors the effectiveness, objectivity and independence of the auditor. The director also approves the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fee.

Approved by the board of directors on 08th April 2025 and signed on its behalf by:

BY ORDER OF THE BOARD

DIRECTOR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with IFRS® Accounting Standards and the requirements of the Kenyan Companies Act, 2015. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances.

The directors confirm that the financial statements give a true and fair view of the financial position of the company as at 31 December 2024 and of the company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act,2015

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 08th April 2025 and signed on its behalf by:

DIRECTOR **DIRECTOR**

PKF

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED

Opinion

We have audited the financial statements of Private Safaris (East Africa) Limited set out on pages 8 to 37, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

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

Other information

The directors are responsible for the other information. The other information comprises the report of the directors, statement of directors' responsibilities and schedule of direct costs and expenditure but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the company's reporting process.

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional 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 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PRIVATE SAFARIS (EAST AFRICA) LIMITED (CONTINUED)

Report on other matters prescribed by the Companies Act, 2015

In our opinion, the information given in the report of the directors on pages 2 and 3 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this report of the independent auditor is CPA Ritesh Haresh Mirchandani, Practising certificate No 1631

For and behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya

5 May **2025**

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PKF Kenya LLP, LLP-8519PL, Kalamu House, Grevillea Grove, Westlands, P.O. Box 14077, 00800, Nairobi, Kenya. +254 207 766400+254 732 144000
Email: pkfnbi@ke.pkfea.com

STATEMENT OF PROFIT OR LOSS

	Notes	2024 Shs '000	2023 Shs '000
Revenue from contracts with customers	1	1,760,080	2,147,150
Cost of sales		(1,457,899)	(1,803,503)
Gross profit		302,180	343,647
Other operating income	2	645	30
Interest income earned from fixed deposits		12,899	6,236
Net impairment (loss) on financial and contract assets	20 (b)	(23,584)	(3,049)
Net impairment (loss) on intangible assets		-	(9,900)
Administrative expenses		(226,527)	(206,714)
Foreign exchange differences		(70,991)	92,589
Other operating expenses		(32,147)	(32,196)
Operating (loss)/profit	3	(37,525)	190,644
Finance costs	5	(1,447)	(1,518)
(Loss)/profit before tax		(38,972)	189,126
Tax	6	10,464	(61,235)
(Loss)/profit for the year		(28,508)	127,891
Earnings per share - basic and diluted (Shs.)	7	(9)	41

The notes on pages 12 to 37 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2024 Shs '000	2023 Shs '000
CAPITAL EMPLOYED			
Ordinary share capital	8	62,500	62,500
Preference share capital	8	293,770	293,770
Retained earnings		(48,510)	(20,002)
Shareholders' funds		307,760	336,268
Non-current liabilities			
Lease liabilities	9	-	5,014
		307,760	341,282
REPRESENTED BY			
Non-current assets			
Deferred tax	10	79,517	65,183
Property and equipment	11	49,434	4,213
Intangible assets	12	1,612	578
Right-of-use assets	13	4,637	13,191
		135,200	83,165
Current assets			
Inventories	14	5,202	1,902
Trade and other receivables	15	94,553	243,020
Cash and cash equivalents	16	211,472	336,114
Tax recoverable		47,268	46,997
		358,495	628,033
Current liabilities			
Trade and other payables	17	180,921	361,127
Lease liabilities	9	5,014	8,789
		185,935	369,916
Net current assets		172,560	258,117
		307,760	341,282

The financial statements on pages 8 to 37 were approved and authorised for issue by the Board of Directors on 08th April 2025 and were signed on its behalf by:

Madhavan Karunakaran Menon
DIRECTOR

Alexander Andor Spiro
DIRECTOR

The notes on pages 12 to 37 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital Shs '000	Preference share capital Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 31 December 2023				
At start of year	62,500	293,770	(147,893)	208,377
Profit for the year	-	-	127,891	127,891
At end of year	62,500	293,770	(20,002)	336,268
Year ended 31 December 2024				
At start of year	62,500	293,770	(20,002)	336,268
(Loss) for the year	-	-	(28,508)	(28,508)
At end of year	62,500	293,770	(48,510)	307,760

The notes on pages 12 to 37 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

STATEMENT OF CASH FLOWS

Operating activities	**Notes**	**2024 Shs '000**	**2023 Shs '000**
Cash (used in)/from operations	18	(70,048)	109,599
Interest paid on lease liabilities	9	(1,447)	(1,518)
Tax paid		(4,141)	(801)
Net cash (used in)/from operating activities		(75,636)	107,280
Investing activities			
Cash paid for purchase of property and equipment	11	(55,475)	(1,269)
Cash paid for purchase of intangible assets	12	(1,481)	(79)
Interest received		12,899	6,236
Proceeds from disposal of property and equipment		625	38
Net cash (used in)/from investing activities		(43,432)	4,927
Financing activities			
Payment of principal portion of lease liabilities	9	(8,788)	(8,288)
Net cash (used in) financing activities		(8,788)	(8,288)
(Decrease)/increase in cash and cash equivalents		(127,856)	103,919
Movement in cash and cash equivalents			
At start of year		336,114	232,095
(Decrease)/increase		(127,856)	103,919
Effect of exchange rate changes		3,214	100
At end of year	16	211,472	336,114

The notes on pages 12 to 37 form an integral part of these financial statements.

Report of the independent auditor - pages 5 to 7.

NOTES

MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policy information considered material in the preparation of these financial statements is set out below. The accounting policy information has been consistently applied to all the years presented, unless otherwise stated.

These financial statements comply with the requirements of the Kenyan Companies Act, 2015. The statement of profit or loss represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention and are in accordance with IFRS Accounting Standards. The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

Going concern

The financial performance of the company is set out in the report of the directors and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk management are set out in Note 20 and disclosures in respect of capital management are set out in Note 21.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New standards, amendments and interpretations adopted by the company

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenants'

The amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenants' (issued in January 2020 and October 2022) clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements' (issued in May 2023)

The amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements' (issued in May 2023), clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback' (issued in September 2022)

The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the company's financial statements.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 21 'Lack of Exchangeability' (issued in August 2023), effective for annual periods beginning on or after 1 January 2025, with early adoption permitted, specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of an entity's financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

- Amendments to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments' (issued May 2024), effective for annual periods beginning on or after 1 January 2026, clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments.

- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (issued in September 2014), applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.

- IFRS 18 'Presentation and Disclosure in Financial Statements' (issued in April 2024), replaces IAS 1 'Presentation of Financial Statements'. IFRS 18 introduces new categories and subtotals the statement of profit or loss. It also requires disclosure of newly defined management-defined performance measures (MPM) and includes new requirements for the location, aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

  Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

  IAS 33 Earnings per Share has been amended to include additional requirements that permit entities to disclose additional amounts per share, only if the numerator used in the calculation meets specified criteria.

  Some requirements previously included within IAS 1 have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which has been renamed IAS 8 Basis of Preparation of Financial Statements. IAS 34 Interim Financial Reporting has also been amended to require disclosure of MPMs.

  IFRS 18, and the amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Early adoption is permitted and must be disclosed.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

a) **Basis of preparation (continued)**

New standards, amendments and interpretations issued but not effective (continued)

The company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (issued in May 2024), effective for annual periods beginning on or after 1 January 2027, with early adoption permitted, allows subsidiaries without public accountability of a parent that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards, (eligible entities) to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS Accounting Standards compliance statement.

Except where indicated above, the directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The company plans to apply the changes above, if applicable, from their effective dates.

b) **Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

- **Measurement of expected credit losses (ECL):**

  The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

  A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

  - Determining criteria for significant increase in credit risk;
  - Choosing appropriate models and assumptions for the measurement of ECL;
  - Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
  - Establishing company's of similar financial assets for the purposes of measuring ECL.

  ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

  The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Measurement of expected credit losses (ECL): (continued)**

The ECL model applied for financial assets other than trade receivables and contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- **Stage 1** - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.
- **Stage 2** - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.
- **Stage 3** - When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The company uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

Provision for expected credit losses of trade receivables and contract assets

The company uses a provision matrix to calculate ECLs for trade receivables and contract assets.

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type, rating and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Useful lives, depreciation methods and residual values of property and equipment, intangible assets and right-of-use assets**

Management reviews the useful lives, depreciation methods and residual values of the items of property and equipment, intangible assets and right-of-use on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amount of property and equipment, intangible assets and right-of-use assets are disclosed in notes 11, 12 and 13, respectively.

- **Accounting for leases under IFRS 16**

Management has made various judgements and estimates under IFRS 16 as detailed below:

Incremental borrowing rate: To determine the incremental borrowing rate, the company:
- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease term/period: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of offices and stores, the following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The carrying amounts of lease liabilities and right-of-use assets are disclosed in Notes 9 and 13, respectively.

- **Impairment of non-financial assets**

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The carrying amounts of property, plant and equipment, intangible assets and right-of-use assets are disclosed in notes 11, 12 and 13, respectively.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

b) **Significant accounting judgements, estimates and assumptions (continued)**

- **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

c) **Revenue recognition**

The company recognises revenue from direct sales of tour operations. The company recognises revenue as and when it satisfies a performance obligation by transferring control of a 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.

Direct sales of tour operations
The company's revenue is measured as the aggregate amount of gross revenue receivable from inclusive tours, airline travel services, hotel services, travel agency commissions and other travel services supplied to customers in the ordinary course of business. The company records revenue on a net basis after deducting discounts and rebates.

Other income

Interest income is recognised on a time proportion basis using the effective interest method. Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

d) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Kenya Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The resulting differences from settlement and translation of monetary items are dealt with in profit or loss in the year in which they arise.

e) **Financial instruments**

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

- ***Financial assets***

All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) **Financial instruments (continued)**

- ***Financial assets (continued)***

The company's financial assets which include cash and bank balances and trade and other receivables fall into the following category:

Amortised cost:

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

At initial recognition of a financial asset, the company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the company has transferred substantially all risks and rewards of ownership, or when the company has no reasonable expectations of recovering the asset.

Financial instruments that are subsequently measured at amortised cost are subject to impairment.

Impairment

Debt instruments that are subsequently measured at amortised cost.

The company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost:

- Cash and cash equivalents
- Trade and other receivables.
- Contract assets
- Other financial assets

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

e) **Financial instruments (continued)**

Impairment (continued)

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial liabilities

- Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, and loans and borrowings including bank overdrafts..

All other financial liabilities are classified and measured at amortised cost.

- Presentation

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

- Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

- Offsetting financial instruments

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

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

f) **Property and equipment**

All property and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation is calculated on a straight line basis to write down the cost of each asset, to its residual value over its estimated useful life as follows:

	Rate %
Leasehold improvements	20%
Furniture and fittings	20%
Motor vehicles	20%
Computer equipment	33%

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

g) **Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

i) **Computer software**

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be five years.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

g) **Intangible assets (continued)**

ii) **Trade marks**

Trade marks are shown at historical cost. Trade marks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period of five years to allocate the cost of trademarks over their estimated useful lives.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset is recognised in profit or loss.

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on direct purchase value. Net realisable value is the estimate of the selling price in the ordinary course of business less the selling expenses.

i) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

j) **Taxation**

The tax expense for the year comprises current and deferred tax and is recognised in profit or loss.

Current tax
Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax
Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

NOTES (CONTINUED)

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

k) **Retirement benefit obligations**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

The company operates a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The scheme is administered by an insurance company. The company's contributions to the defined contribution staff retirement benefit scheme are charged to profit or loss in the year to which they relate. The company has no further payment obligations once the contributions have been paid.

l) **Impairment of non-financial assets and intangible assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 of disposal and value in use.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

m) **Accounting for leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company as a lessee:

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the company's incremental borrowing rate is used.

For leases that contain non-lease components, the company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

m) **Accounting for leases (continued)**

The company as a lessee: (continued)

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the company at the end of the lease term, the estimated useful life would not exceed the lease term.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

n) **Employee entitlements**

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

o) **Share capital and share premium**

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

p) **Comparatives**

There were no changes in presentation in the current year.

NOTES (CONTINUED)

	2024	2023
1. Revenue from contracts with customers	**Shs '000**	**Shs '000**
Sale of safari packages	1,760,080	2,147,150

2. Other operating income

Gain on disposal of property and equipment	625	30
Other income	20	-
	645	30

3. Operating (loss)/profit

The following items have been charged in arriving at the operating (loss)/profit:

Depreciation on property and equipment (Note 11)	10,254	8,828
Amortisation of intangible assets (Note 12)	446	437
Depreciation on right of use assets (Note 13)	8,554	8,329
Staff costs (Note 4)	137,351	136,823
Director's remuneration	17,966	18,719
Auditors' remuneration		
- current year	1,849	1,672
Repairs and maintenance	8,197	7,437

4. Staff costs

Salaries and wages	119,210	119,116
Other staff costs	16,051	16,700
Post-employment benefits:		
- National Social Security Fund	2,090	1,007
	137,351	136,823

The average number of persons employed during the year, by category, were:	**2024 No**	**2023 No**
Management and administration	86	83

	2024	2023
5. Finance costs	**Shs '000**	**Shs '000**
Lease liabilities interest (Note 9)	1,447	1,518

NOTES (CONTINUED)

6. **Tax**	**2024 Shs '000**	**2023 Shs '000**
Current tax	3,870	1,871
Deferred tax (credit)/charge (Note 10)	(14,334)	59,364
	(10,464)	61,235

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

(Loss)/profit before tax	(38,972)	189,126
Tax calculated at a tax rate of 30% (2023: 30%)	(11,692)	56,738
Tax effect of:		
- expenses not deductible for tax purposes	1,228	4,497
Tax (credit)/charge	(10,464)	61,235

7. **(Loss)/earnings per share**

Basic (loss)/earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2024 Shs	**2023 Shs**
(Loss)/profit attributable to equity holders (Shs.)	(28,508,000)	127,891,000
Weighted average number of ordinary shares (Number)	3,125,000	3,125,000
(Loss)/earnings per share (Shs).	(9)	41

8. **Share capital**	**2024 Shs '000**	**2023 Shs '000**
Authorised:		
3,250,000 (2023: 3,250,000) ordinary shares of Shs. 20 each	65,000	65,000
2,937,695 (2023: 2,937,695) 6% non-cumulative redeemable preference shares of Shs. 100 each	293,770	293,770
	358,770	358,770
Issued and fully paid:		
3,125,000 (2023: 3,125,000) ordinary shares of Shs. 20 each	62,500	62,500
2,937,695 (2023: 2,937,695) 6% non-cumulative redeemable preference shares of Shs. 100 each	293,770	293,770
	356,270	356,270

The preference shares are non-cumulative and only redeemable within a period of 20 years from the issue date (being 21 December 2017) if the company has not exercised its option to convert such shares to ordinary equity before such period elapses. The company holds the option for conversion of such shares at a predetermined number and valuation at any time over this period.

9. **Lease liabilities**	**2024 Shs '000**	**2023 Shs '000**
Non-current	-	5,014
Current	5,014	8,789
	5,014	13,802

Reconciliation of lease liabilities arising from financing activities:

At start of year	13,802	7,146
Interest charged to profit or loss (Note 5)	1,447	1,518
Cash flows:		
- Amounts financed through leases	-	14,944
- Payments under leases	(10,235)	(9,806)
At end of year	5,014	13,802

Lease liabilities are unsecured.

The leases expiring within one year are subject to review at various dates during the next financial year.

The exposure of the company's leases to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	2024 Shs '000	**2023 Shs '000**
6 months or less	4,976	4,141
6 - 12 months	38	4,647
1 - 2 years	-	5,014
	5,014	13,802

Weighted average effective interest rates at the reporting date was:	**2024 %**	**2023 %**
Lease liabilities	11.5% - 14%	11.5% - 14%

The carrying amounts of the company's lease liabilities are denominated in Kenya Shillings.

Maturity based on the repayment structure of lease liabilities is as follows:

Gross lease liabilities - minimum lease payments	**2024 Shs '000**	**2023 Shs '000**
Not later than 1 year	5,281	10,236
Later than 1 year and not later than 5 years	-	5,280
Total gross lease	5,281	15,516
Future interest expense on leases liabilities	(267)	(1,714)
Present value of lease liabilities	5,014	13,802

10. **Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2023: 30%). The movement on the deferred tax account is as follows:

	2024 Shs '000	2023 Shs '000
At start of year	(65,183)	(124,547)
(Credit)/charge to profit or loss (Note 6)	(14,334)	59,364
At end of year	(79,517)	(65,183)

Deferred tax (assets) in the statement of financial position and deferred tax (credit)/charge to profit or loss are attributable to the following items:

	At start of year Shs '000	(Credit)/charge to profit or loss Shs '000	At end of year Shs '000
Year ended 31 December 2024			
Property and equipment	(7,162)	3,131	(4,031)
Impairment loss	(3,966)	(7,075)	(11,041)
General provisions	(3,555)	(76)	(3,631)
Unrealised foreign exchange differences	23,009	(25,475)	(2,466)
Tax losses	(73,509)	15,161	(58,348)
Net deferred tax (asset)	(65,183)	(14,334)	(79,517)
Year ended 31 December 2023			
Property and equipment	(6,354)	(808)	(7,162)
Impairment loss	(2,523)	(1,443)	(3,966)
General provisions	(4,443)	888	(3,555)
Unrealised foreign exchange differences	5,035	17,974	23,009
Tax losses	(116,262)	42,753	(73,509)
Net deferred tax (asset)	(124,547)	59,364	(65,183)

11. Property and equipment

Year ended 31 December 2024

	Leasehold improvements Shs '000	Furniture and fittings Shs '000	Motor vehicles Shs '000	Computer equipment Shs '000	Total Shs '000
Cost					
At start of year	46,522	19,009	79,193	47,851	192,575
Additions	757	-	54,310	408	55,475
Disposals	-	-	(1,800)	-	(1,800)
At end of year	47,279	19,009	131,703	48,259	246,250
Accumulated depreciation					
At start of year	46,051	18,988	77,194	46,129	188,362
Disposals	-	-	(1,800)	-	(1,800)
Charge for the year	209	21	8,957	1,067	10,254
At end of year	46,260	19,009	84,351	47,196	196,816
Net carrying amount	1,019	-	47,352	1,063	49,434

Year ended 31 December 2023

	Leasehold improvements Shs '000	Furniture and fittings Shs '000	Motor vehicles Shs '000	Computer equipment Shs '000	Total Shs '000
Cost					
At start of year	46,522	19,009	79,193	46,601	191,325
Additions	-	-	-	1,269	1,269
Disposals	-	-	-	(19)	(19)
At end of year	46,522	19,009	79,193	47,851	192,575
Accumulated depreciation					
At start of year	45,890	18,922	69,567	45,166	179,545
Disposals	-	-	-	(11)	(11)
Charge for the year	161	66	7,627	974	8,828
At end of year	46,051	18,988	77,194	46,129	188,362
Net carrying amount	471	21	1,998	1,722	4,213

All additions during the year were made through cash payments.

NOTES (CONTINUED)

16. Cash and cash equivalents

	2024 Shs '000	2023 Shs '000
Cash at bank and in hand	211,472	336,114

For the purposes of the statement of cash flows, the year-end cash and cash equivalents comprise the above.

The carrying amounts of the company's cash and cash equivalents are denominated in the following currencies:

	2024 Shs '000	2023 Shs '000
Kenya Shillings	30,639	22,389
United States Dollar	175,154	304,484
Euro	5,639	7,798
Great Britian Pound	40	1,443
	211,472	336,114

17. Trade and other payables

	2024 Shs '000	2023 Shs '000
Trade payables	12,948	94,829
Accruals for safaris	99,582	147,718
Deferred income	52,733	97,216
Accruals and other payables	15,082	18,879
Amount due to related party (Note 19)	576	2,485
	180,921	361,127

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

	2024 Shs '000	2023 Shs '000
Kenya Shillings	170,030	269,001
United States Dollar	10,439	86,211
Euro	235	3,238
Indian Rupees	-	2,256
South African Rand	217	421
	180,921	361,127

17. Trade and other payables (continued)

The maturity analysis of the trade and other payables is as follows:

Year ended 31 December 2024	Up to 3 months Shs '000	4 to 12 months Shs '000	Total Shs '000
Trade payables	12,948	-	12,948
Accruals for safaris	80,475	19,107	99,582
Deferred income	25,596	27,137	52,733
Accruals and other payables	15,082	-	15,082
Amounts due to related party	576	-	576
	134,678	46,244	180,921
Year ended 31 December 2023			
Trade payables	88,444	6,385	94,829
Accruals for safaris	137,864	9,855	147,718
Deferred income	50,001	47,215	97,216
Accruals and other payables	18,879	-	18,879
Amounts due to related party	2,485	-	2,485
	297,672	63,455	361,127

18. Cash (used in)/from operations

Reconciliation of (loss)/profit before tax to cash from operations:	2024 Shs '000	2023 Shs '000
(Loss)/profit before tax	(38,972)	189,126
Adjustments for:		
Depreciation on property and equipment (Note 11)	10,254	8,828
Depreciation on right-of-use assets (Note 13)	8,554	8,329
Amortisation of intangible assets (Note 12)	446	437
Impairment of intangible assets (Note 12)	-	7,679
Interest expense on lease liabilities (Note 9)	1,447	1,518
(Gain) on disposal of property and equipment	(625)	(30)
Interest (income)	(12,899)	(6,236)
Net foreign exchange (gain)	(3,214)	(100)
Changes in working capital:		
- inventories	(3,300)	1,016
- trade and other receivables	148,467	(167,281)
- trade and other payables	(180,206)	66,313
Cash (used in)/from operations	(70,048)	109,599

19. Related party transactions and balances

The company is controlled by Travel Circle International (Mauritius) Limited incorporated in Mauritius, which owns 100% of the company shares. The ultimate parent company is Travel Circle International (Mauritius) Limited incorporated in Mauritius.

The following transactions were carried out and balances held with related parties:	2024 Shs '000	2023 Shs '000
i) **Sale of goods and services to other related party**	6,140	23,092
ii) **Purchase of goods and services from other related party**	16,330	9,320
iii) **Key management compensation**		
Salaries and other short term benefits - directors	19,454	20,207
iv) **Outstanding balances arising from sale and purchase of goods/services/property/other transactions**		
Amount due from related parties (Note 15) - Parent	-	306
Amount due to related parties (Note 17) - Other related parties	576	2,485

20. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads.

(a) **Market risk**

- *Foreign exchange risk*

The company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Sterling Pound and Euro. The risk arises from future transactions, assets and liabilities in the statement of financial position.

The table below summarises the effect on post-tax profit had the Kenya Shilling weakened by 10% against each currency, with all other variables held constant. If the Kenya Shilling strengthened against each currency, the effect would have been the opposite.

	2024 Shs '000	2023 Shs '000
Effect of profit - increase	18,707	27,519

A 10% sensitivity rate is being used when reporting foreign risk internally to key management personnel and represents managements assessment of the reasonably possible change in foreign exchange rates.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(a) **Market risk (continued)**

- *Interest rate risk*

The company's exposure to interest rate risk arises from lease liabilities.

The summary below shows the effect on post-tax profit had the interest rate on interest bearing liabilities increased by 1%. Had the interest rates decreased by the same margin, the effect would have been the opposite.

	2024 Shs '000	2023 Shs '000
Effect on (loss)/profit - decrease	1,851	1,915

A 1% sensitivity rate is being used when reporting interest risk internally to key management personnel and represents managements assessment of the reasonably possible change in interest rates.

(b) **Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due.

For these purpose default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the company companys financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument;
- industry in which the debtor operates; and
- nature of collateral.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

(b) **Credit risk (continued)**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the the following events:

- significant financial difficulty of the debtor;
- a breach of contract;
- it is probable that the debtor will enter bankruptcy; and
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the reporting date was as follows:

Basis for measurement of loss allowance	**Lifetime expected credit losses Shs '000**
As at 31 December 2024	
Trade receivables	83,498
Cash and cash equivalents	211,472
Gross carrying amount	294,970
Loss allowance	(36,802)
Exposure to credit risk	258,168
Basis for measurement of loss allowance	
As at 31 December 2023	
Trade receivables	149,695
Cash and cash equivalents	337,874
Gross carrying amount	487,568
Loss allowance	(13,218)
Exposure to credit risk	474,350

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;
b) financial assets that are credit impaired at the reporting date; and
c) trade receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

b) **Credit risk (continued)**

The age analysis of the trade receivables at the end of each year was as follows:

	Not past Shs '000	31 - 60 Shs '000	61 - 90 Shs '000	>90 Shs '000	>120 Shs '000	Total Shs '000
As at 31 December 2024	40,540	6,130	-	-	36,828	83,498
As at 31 December 2023	110,573	10,648	19,788	1,677	7,315	150,001

The changes in the loss allowance during the year were as follows:

	Lifetime expected credit losses		
Basis for measurement of loss allowance	**Trade receivables**	**Cash and cash equivalents**	**Total**
Year ended 31 December 2024	**Shs '000**	**Shs '000**	**Shs**
At start of year	(13,218)	-	(13,218)
Changes relating to assets	(23,584)	-	(23,584)
At end of year	(36,802)	-	(36,802)
Year ended 31 December 2023			
At start of year	(8,410)	(1,760)	(10,170)
Changes relating to assets	(4,808)	1,760	(3,048)
At end of year	(13,218)	-	(13,218)

(c) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet obligations as they fall due. The company ensures its inflows and outflows are matched sufficiently to minimise its exposure on liquidity risk.

Notes 17 and 9 disclose the maturity analysis of trade and other payables and lease liabilities respectively.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The key assumptions made in the maturity profile are:

- changes in interest rates have not been accounted for as these cannot be predicted;
- changes in foreign exchange rates have not been accounted for as these cannot be predicted; and
- the borrowings will be repaid based on the repayment schedule agreed with the lenders.

NOTES (CONTINUED)

20. **Risk management objectives and policies (continued)**

Financial risk management (continued)

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

Year ended 31 December 2023	**Interest rate %age**	**Within 1 year Shs '000**	**Between 1 - 5 years Shs '000**	**Total Shs '000**
Non interest bearing liabilities:				
- Trade and other payables	-	180,921	-	180,921
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	5,281	-	5,281
		186,202	-	186,202
Year ended 31 December 2023				
Non interest bearing liabilities:				
- Trade and other payables	-	361,127	-	361,127
Interest bearing liabilities				
- Lease liabilities	11.5% - 14%	10,236	5,281	15,516
		371,363	5,281	376,644

21. **Capital management**

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust directors bonuses or dividends paid.

22. **Commitments**

Contractual commitments for the acquisition of assets

At the reporting date these commitments were as follows:	**2024 Shs**	**2023 Shs**
Property and equipment	-	24,826

23. **Incorporation**

Private Safaris (East Africa) Limited is incorporated in Kenya under the Companies Act, 2015 as a private limited liability company and is domiciled in Kenya.

24. **Presentation currency**

The financial statements are presented in Kenya Shillings (Shs).

SCHEDULE OF DIRECT COSTS AND EXPENDITURE

1. DIRECT COSTS	2024 Shs '000	2023 Shs '000
Accommodation and meals expenses	1,016,007	1,245,760
Entrance and parking fees	158,963	165,778
Transport	248,953	338,533
Fuel	13,349	7,456
Repairs and maintenance	8,041	7,077
Drivers' allowance	4,333	4,271
Commission	8,367	16,882
Excursion and transport	6,542	12,092
Spare parts, tyres and tubes expenses	2,319	1,821
Other costs	7,011	3,833
Prior year safaris expenses	(15,986)	-
Total direct costs	1,457,899	1,803,503

2. ADMINISTRATIVE EXPENSES

	2024 Shs '000	2023 Shs '000
Employment:		
Salaries and wages	121,300	120,123
Staff medical	7,217	6,008
Staff training and recruitment	51	65
Other staff costs	8,783	10,627
Total employment costs	137,351	136,823
Other administrative expenses:		
Director's remuneration	17,966	18,719
Promotions and sales support	11,948	7,921
Printing and stationery	1,052	1,345
Postages and telephones	1,567	1,643
Travelling and entertainment	477	2,135
Audit fees:		
- current year	1,849	1,672
Computer expenses	16,003	13,585
Management fees	18,298	10,827
Legal and professional fees	2,883	1,919
Secretarial charges	149	149
Subscriptions	284	233
Bank charges	1,822	1,996
Gifts and donations	53	100
Sales agent fees	13,506	6,367
Miscellaneous expenses	1,319	1,280
Total other administrative expenses	89,176	69,891
Total employment and other administrative expenses	226,527	206,714
Foreign exchange differences:		
Realised exchange loss/(gain)	62,770	(15,894)
Unrealised foreign exchange loss/(gain)	8,221	(76,695)
Total foreign exchange differences	70,991	(92,589)
Total administrative expenses	297,518	114,125

SCHEDULE OF DIRECT COSTS AND EXPENDITURE (CONTINUED)

3. OTHER OPERATING EXPENSES	2024 Shs '000	2023 Shs '000
Establishment:		
Light and water	3,312	3,075
Service charge and parking	4,361	4,309
Licences	663	3,677
Security	291	290
Repairs and maintenance	156	360
Insurance	4,110	2,892
Amortisation of intangible assets	446	437
Depreciation on property and equipment	10,254	8,828
Depreciation on right of use assets	8,554	8,329
Total other operating expenses	32,147	32,196

4. **FINANCE COSTS**

Interest expense on lease liabilities	1,447	1,518
Total finance costs	1,447	1,518

Kuoni Australia Holding Pty Ltd

ABN 78 133 084 714

Annual Report - 31 December 2024

Kuoni Australia Holding Pty Ltd
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kuoni Australia Holding Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors
The following persons were directors of Kuoni Australia Holding Pty Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Eng Waa Teh
Laurent Kuenzle
Madhavan Karunakaran Menon
Sebastian Alex Mendonca

Principal activities
The principal activity of the company during the financial year was investment holding of Australian Tours Management Pty Ltd. The company did not generate revenue during the year.

There has been no significant change in the nature of the entity's principal activity during the year.

The principal activities of Australian Tours Management Pty Ltd during the financial year were managing and co-ordinating tours. No significant change in the nature of this activity occurred during the year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,114,988 (31 December 2023: $1,525,796).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The company expect to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental regulation
The company operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Shares under options
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Dividends
No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Indemnification and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

30 May 2025
Melbourne

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Kuoni Australia Holding Pty Ltd

As lead auditor for the audit of Kuoni Australia Holding Pty Ltd for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kuoni Australia Holding Pty Ltd and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 30 May 2025

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Kuoni Australia Holding Pty Ltd
Contents
31 December 2024

General information

The financial statements cover Kuoni Australia Holding Pty Ltd as a consolidated entity consisting of Kuoni Australia Holding Pty Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Kuoni Australia Holding Pty Ltd's functional and presentation currency.

Kuoni Australia Holding Pty Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

L 1 28 VICTORIA STREET
CARLTON, VICTORIA, 3053
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 May 2025. The directors have the power to amend and reissue the financial statements.

Kuoni Australia Holding Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 $	2023 $
Revenue			
Sales Revenue	3	12,484,563	9,054,767
Cost of Sales		(10,632,031)	(7,699,811)
Gross profit		1,852,532	1,354,956
Expenses			
Employee benefits expense		(1,484,268)	(1,354,641)
Depreciation and amortisation expense		(10,237)	(10,208)
Other expenses		(17,008)	(9,627)
Administration		(1,456,007)	(1,506,276))
Loss before income tax expense		(1,114,988)	(1,525,796)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of Kuoni Australia Holding Pty Ltd	12	(1,114,988)	(1,525,796)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Kuoni Australia Holding Pty Ltd		(1,114,988)	(1,525,796)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	5	900,452	134,064
Trade and other receivables	6	1,497,978	946,369
Prepaid Expense	7	1,250,142	71,194
Total current assets		3,648,572	1,151,627
Non-current assets			
Property, plant and equipment		7,236	15,713
Deferred tax	8	144,301	144,301
Total non-current assets		151,537	160,014
Total assets		3,800,109	1,311,641
Liabilities			
Current liabilities			
Trade and other payables	9	7,026,137	3,669,705
Financial liabilities	10	8,763,245	8,538,245
Employee benefits provisions		85,395	97,978
Total current liabilities		15,874,777	12,305,928
Non-current liabilities			
Employee benefits provisions		110,043	75,436
Total non-current liabilities		110,043	75,436
Total liabilities		15,984,820	12,381,364
Net liabilities		(12,184,711)	(11,069,723)
Equity			
Issued capital		500,000	500,000
Accumulated losses	12	(12,684,711)	(11,569,723)
Total deficiency in equity		(12,184,711)	(11,069,723)

The above statement of financial position should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 January 2023	500,000	-	(10,043,927)	-	(9,543,927)
Loss after income tax expense for the year	-	-	(1,525,796)	-	(1,525,796)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,525,796)	-	(1,525,796)
Balance at 31 December 2023	500,000	-	(11,569,723)	-	(11,069,723)

Consolidated	Issued capital $	Reserves $	Retained profits $	Non-controlling interest $	Total deficiency in equity $
Balance at 1 January 2024	500,000	-	(11,569,723)	-	(11,069,723)
Loss after income tax expense for the year	-	-	(1,114,988)	-	(1,114,988)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(1,114,988)	-	(1,114,988)
Balance at 31 December 2024	500,000	-	(12,684,711)	-	(12,184,711)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Kuoni Australia Holding Pty Ltd
Statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 $	2023 $	
Cash flows from operating activities				
Receipts from customers		11,932,960	8,656,953	
Payments to suppliers and employees		(11,389,806)	(8,729,023)	
		543,154	(78,070)	
Interest received		-	-	
Net cash used in operating activities		543,154	(78,070)	
Cash flows from investing activities				
Payments for property, plant and equipment		(1,760)	(5,770)	
Net cash used in investing activities		(1,760)	(5,770)	
Net cash from financing activities		-	-	
Net increase/(decrease) in cash and cash equivalents		541,394	(83,840)	
Cash and cash equivalents at the beginning of the financial year		(8,404,181)	(8,320,341)	(7
Cash and cash equivalents at the end of the financial year		(7,862,787)	(8,404,181)	(7

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These consolidated general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures and AASB 1 *First time adoption of Australian Accounting Standards* has been applied. An explanation of how the transition to Australian Accounting Standards - Simplified Disclosures has affected the reported financial position, financial performance and cash flows of the consolidated entity has been provided in Note 1

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kuoni Australia Holding Pty Ltd ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Kuoni Australia Holding Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Material accounting policy information (continued)

Revenue recognition
The consolidated entity recognises revenue as follows:

Sales revenue
The company renders a wide range of travel services. The revenue from rendering these services is recognised in the statement of comprehensive income at the time when the significant risks and rewards are transferred to the customers. In the case of destination management activities, this is generally on the date of arrival.

Revenue comprises net sales revenues from the tour operating business (after deduction of sales taxes, goods and services tax, discounts and commissions).

Unconditional payments due from customers for satisfied performance obligations are recorded as sales receivables within other assets on the Statement of Financial Position. Customer prepayments are recorded as deferred revenue within accounts payable and accrued liabilities on Statement of Financial Position and are not recognised as revenue until the provision of services occurs. Certain contracts include multiple deliverables which are accounted for as separate performance obligations, with the transaction price allocated among the performance obligations based on their individual selling prices.

Income tax
The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entity where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Note 1. Material accounting policy information (continued)

Tax Consolidation

Kuoni Australia Holding Pty Ltd and its controlled entities have formed an income tax consolidated group under Australian tax consolidation legislation. Kuoni Australia Holding Pty Ltd, the parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses to the extent that they are recoverable, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The directors have determined that as there is no certainty that the tax losses will be available for offset against future taxable income. On this basis, deferred tax assets have not been recognised the financial statements.

Note 3. Revenue

	Consolidated	
	2024 $	2023 $
Sales - external parties	7,758,440	5,637,500
Sales - related parties	4,726,123	3,417,267
	12,484,563	9,054,767

The Company operates in only one geographical region being Australia.

Note 4. Income tax expense

	Consolidated 2024 $	Consolidated 2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,114,988)	(1,525,796)
Tax at the statutory tax rate of 30%	(334,496)	(457,739)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deferred tax asset not recognised	334,496	457,739
Income tax expense	-	-

Note 5. Current assets - cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Cash and cash equivalents	900,452	134,064

Note 6. Current assets - trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Trade receivables	1,504,443	950,024
Less: Allowance for expected credit losses	(146)	(368)
	1,504,297	949,656
Other receivables	(6,319)	(3,287)
	1,497,978	946,369

Note 7. Pre-paid Expense

	Consolidated 2024 $	Consolidated 2023 $
Deposits to suppliers for accommodation, coaches, meals and attractions	1,250,142	71,194

Note 8. Non-current assets - deferred tax

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax asset	144,301	144,301

Note 9. Current liabilities - trade and other payables

	Consolidated	
	2024	2023
	$	$
Trade payables	6,903,950	3,556,748
Customer deposits	122,187	112,957
	7,026,137	3,669,705

Note 10. Current liabilities - borrowings

	Consolidated	
	2024	2023
	$	$
Advances from related parties – other entities ultimately controlled by Fairfax Financial Holdings Limited	8,763,245	8,538,245

Note 11. Equity - Contributed Equity

The company has 500,000 ordinary fully paid shares on issue (2023: 500,000). Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 12. Equity - accumulated losses

	Consolidated	
	2024	2023
	$	$
Accumulated losses at the beginning of the financial year	(11,569,723)	(10,043,927)
Loss after income tax expense for the year	(1,114,988)	(1,525,796)
Accumulated losses at the end of the financial year	(12,684,711)	(11,569,723)

Note 13. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company are set out below:

	Consolidated	
	2024	2032
	$	$
Aggregate compensation	344,488	345,727

Note 14. Contingent liabilities

The company is not aware of any matter pending that may give rise to any contingent liability.

Note 15. Related party transactions

Parent entity
Kuoni Australia Holding Pty Ltd is the parent entity.

Note 15. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2024 $	2023 $
Sale of goods and services:		
Sale of goods to other related parties within the Fairfax Financial Holdings Limited Group	4,726,123	3,417,267

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2024 $	2023 $
Current borrowings:		
Loan from other entities ultimately controlled by Fairfax Financial Holdings Limited	8,763,245	8,538,245

Terms and conditions
Loans are interest bearing at a rate of 8.6%

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Economic Dependency

As at 31 December 2024 the company incurred a net loss of $1,114,988 and had net current liabilities totalling $12,226,205 which included amounts payable, secured by or guaranteed by related entities ultimately controlled by Fairfax Financial Holdings Limited totalling $8,763,239. These conditions highlight that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern due to the continued trading losses and operating cash outflows. The continued economic support of the company from its ultimate parent entity is a fundamental element of the capacity of the company to meet its debts as and when they fall due and therefore a significant decision of the directors in preparing the financial report on a going concern basis.

The company has received a commitment of continuous financial support from the parent company, Travel Circle International (Mauritius) Limited. This commitment of financial support is given on the basis that Travel Circle International (Mauritius) Limited controls the ownership of the company and that the company will continue to be economically dependent upon of Travel Circle International (Mauritius) Limited for its financial and operational stability.

In the event that this support is withdrawn, this may necessitate a restatement of the valuation and classification of assets and liabilities in the statement of financial position.

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Sian Victoria Pty Ltd	Australia	100.00%	100.00%

Kuoni Australia Holding Pty Ltd
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Eng Waa Teh
Director

Laurent Kuenzle
Director

30 May 2025
Melbourne

WilliamBuck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Kuoni Australia Holding Pty Ltd

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Kuoni Australia Holding Pty Ltd (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 31 December 2024,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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William Buck
ACCOUNTANTS & ADVISORS

Material uncertainty related to going concern

We draw attention to note 17 in the financial report which indicates that the Group incurred a net loss of $1,114,988 during the year ended 31 December 2024 and, as of that date the Group's current liabilities exceeded its current assets by $12,226,205. As stated in note 17, these events or conditions, along with other matters as set forth in note 17, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf

This description forms part of our auditor's report.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director
Melbourne, 30 May 2025