

**AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

**SHORT FORM FINANCIAL ANNOUNCEMENT ISSUED IN TERMS OF
PRACTICE NOTE 13 OF THE ZIMBABWE STOCK EXCHANGE**

This short form financial announcement is the responsibility of the Board of Directors which is issued in terms of the Zimbabwe Stock Exchange (ZSE) practice note 13. It is only a summary of information contained in the full announcement and does not contain full or complete details. Any investment decision by Investors and / or shareholders should be based on consideration of the full announcement published on the Zimbabwe Stock Exchange data portal www.zse.co.zw and the Company's website www.rtgafrika.com.

A copy of audited consolidated financial statements for the year ended 31 December 2024 is upon request, available for inspection at the registered offices of Rainbow Tourism Group Limited.

Performance overview

The Group delivered yet another year of strong performance, driven by 4% growth in occupancy and a 15% rise in foreign currency revenues. A robust cost management approach boosted EBITDA by 52% to US\$9.7 million from US\$6.4 million. Despite economic volatility, including the devaluation of the Zimbabwe Gold currency, RTG maintained resilience through strategic adjustments and technological advancements. The Group reaffirmed its commitment to shareholders with a total dividend payout of US\$2.5 million in 2024 up from US\$1.5 million in 2023. The Company is in the final stages of completing a transaction to acquire Montclair Hotel & Casino. A detailed notice will be issued providing further information regarding this transaction. RTG remains optimistic about industry prospects, leveraging acquisitions and operational efficiencies to drive long-term growth. The Group continues to uphold its ESG commitments and governance standards.

Financial highlights

	31.12.2024	31.12.2023	Change %
	Audited	Audited	
	US\$	US\$	
Occupancy	54%	52%	4%
RevPAR	55	49	12%
Revenues	44,397,592	43,617,403	2%
EBITDA	9,746,034	6,426,752	52%
Profit before tax	7,912,883	5,813,599	36%
Profit after tax	5,365,901	4,566,073	18%
Key cashflow items			
Cash generated from operations	7,953,703	10,028,837	-21%
Net outflow from investing activities	(8,403,578)	(5,915,601)	42%
Key statement of financial position items			
Non-current assets	49,813,513	44,224,748	13%
Current assets	14,701,382	9,729,568	51%
Total assets	64,514,895	53,954,316	20%
Equity (net assets)	37,952,926	34,608,373	10%
Total liabilities	26,561,969	19,345,943	37%
Total equity & liabilities	64,514,895	53,954,316	20%
Basic earnings per share (cents)	0.22	0.19	17%
Diluted earnings per share (cents)	0.22	0.19	19%
Basic headline earning per share (cents)	0.23	0.19	22%
Diluted headline earning per share (cents)	0.23	0.19	21%
Total dividend declared	2,500,000	1,500,000	67%
Dividend per share (cents)	0.10	0.06	67%

Dividend

The board has resolved to declare a second and final dividend of US\$1,500,000. The dividend will be payable in split of US\$500,000 (0.020US\$ cents per share) will be paid in foreign currency and the balance of US\$1 million (1.057 ZWG cents per share) in local currency. A detailed notice will be issued containing further information regarding this dividend payment. This will bring total dividend declared to US\$2.5 million for the financial year 2024.

Independent Auditors' Report

The abridged audited financial results should be read in conjunction with the complete set of audited consolidated financial statements of Rainbow Tourism Group Limited and its subsidiary for the year ended 31 December 2024 which have been audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing. The audit report carries an unmodified opinion and we have included a key audit matter on the valuation of property and equipment. The auditor's report on the consolidated financial statements, which forms the basis of these abridged financial results, is available for inspection at the Group's registered office. The Engagement Partner responsible for the audit is Mr. Martin Makaya (PAAB 0407).



Douglas Hoto
Chairman

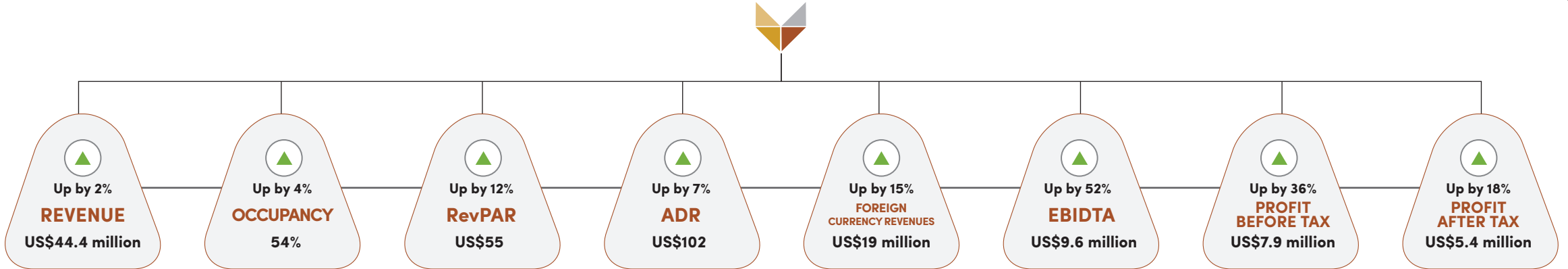
10 March 2025

Directors: D.Hoto (Chairman), T. Madzinyanika (CEO), A. Bvumbe, K. Chibota, G. Gundani, L. Mabhangwa, C. Mafunga, C. Malaba, D. Mavhembu, N. Mtukwa (FD), G. Taputaira



AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

PERFORMANCE HIGHLIGHTS



CHAIRMAN'S STATEMENT

1. INTRODUCTION
The Group has achieved another year of growth, driven by strong guest demand and an increase in foreign currency revenues. The occupancy levels at 54% have surpassed the 2019 pre-COVID levels. Additionally, cost management contributed to operating profits growth. In line with our commitment to delivering value to shareholders, the Group declared US\$2.5 million dividend for the 2024 financial year. Looking ahead, the Group remain focused on sustaining growth, optimizing operational efficiencies, and capitalizing on emerging opportunities to further enhance shareholder value.

2. OPERATING ENVIRONMENT
The Zimbabwean economy experienced a dynamic and evolving landscape in 2024, marked by mixed economic outcomes. The first quarter experienced heightened inflationary pressures, leading to the transition from the Zimbabwean Dollar (ZWS) to the Zimbabwe Gold (ZWG) currency. In September 2024, the monetary authorities devalued the ZWG currency by 92%. These economic shifts, along with Government interventions, resulted in significant exposure to the Group through exchange rate-related losses.

In response, the Group adopted a proactive approach, reinforcing cost management, diversifying revenue streams, and investing in sustainable growth areas. Our agility in adjusting business models, coupled with leveraging technology to drive operational efficiency and enhance customer engagement, has been instrumental in navigating these macroeconomic complexities. Furthermore, RTG remains steadfast in its commitment to corporate responsibility, supporting local development and environmental sustainability through targeted community initiatives.

Our employees have been the cornerstone of our success to navigate the operating environment. As we look ahead, we remain mindful of the challenges on the horizon but are optimistic about our prospects in Zimbabwe, underpinned by our strategic initiatives and the unwavering commitment of our team.

3. PERFORMANCE REVIEW
During the period under review, the Group achieved an occupancy rate of 54%, reflecting a 4% increase from the 52% recorded in 2023. This growth was driven by a strong performance in both accommodation and conferencing segments. Notably, resort hotels experienced a robust rebound in 2024, surpassing pre-COVID-19 occupancy levels, while city hotels continued to strengthen despite the headwinds posed by various government policy interventions throughout the year.

The Group recorded total revenues of US\$44.4 million, representing a 2% increase from the US\$43.6 million posted in 2023. Despite persistent inflationary pressures impacting margins, gross profit margins improved to 70%, up from 69% posted prior year. A key highlight was the 15% growth in foreign currency revenues, rising from US\$16.4 million to US\$19 million, accentuating the Group's ability to attract international business. The sustained improvement in gross margins was achieved through rigorous cost management initiatives designed to counteract inflationary pressures.

Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) improved 52%, reaching US\$9.7 million, compared to US\$6.4 million in 2023. This growth was primarily driven by a combination of cost-saving measures and increased revenues.

4. SUSTAINABILITY AND CORPORATE SOCIAL INVESTMENT
The Group remain unwavering in our commitment to Environmental, Social, and Governance (ESG) principles, ensuring that our growth is both sustainable and responsible. The year under review marked significant progress in climate action, social impact, and ethical governance, reinforcing our position as a leader in responsible tourism.

Our dedication to environmental conservation was exemplified through the planting of 16,000 trees in Harare and Sanyati, a key initiative in our reforestation and carbon offset strategy. Once matured, this effort will offset approximately 640 metric tonnes of carbon emissions, highlighting our commitment to reducing our ecological footprint.

Sustainability was central in the refurbishment of the Rainbow Towers Hotel and Conference Centre focusing on water preservation and smart energy-efficient solutions. These innovations have led to substantial reductions in both water and energy consumption, contributing to our broader sustainability objectives and ensuring that our hotels operate with minimal environmental impact.

Furthermore, the support for environmental journalism saw a 100% increase in winners at the Environmental Reporter Awards. By doubling the number of recognized journalists, we are fostering greater awareness and media coverage of climate change and sustainability issues, ensuring that environmental advocacy reaches a broader audience.

The Group believes that the employees are the cornerstone of our success, and remain committed to investing in their well-being. During the period under review, RTG facilitated housing for 43% of its workforce, providing greater security and stability for employees. The goal is to achieve full housing support for 75% of the staff by the end of 2027, reinforcing the commitment to improving living conditions and economic empowerment.

As a company that champions diversity, inclusion, and equality, we are proud to have exceeded our inclusivity targets. This year, 2.5% representation of minority groups was achieved, surpassing the 2% target. This milestone reflects the commitment to fostering an equitable workplace that values diverse perspectives and backgrounds.

RTG continues to uphold the highest standards of transparency, accountability, and ethical governance. Our corporate policies and business operations are guided by integrity, ensuring adherence to regulatory frameworks and best practices in the tourism and hospitality industry.

RTG remains dedicated to embedding sustainability into every aspect of our operations, ensuring that our business growth aligns with environmental preservation, social responsibility, and ethical leadership.

5. DIVIDEND
Following a strong financial performance in 2024, I am pleased to announce that the Board has declared a second and final dividend of US\$1.5 million out of which US\$500,000 (0.020US\$ cents per share) will be paid in foreign currency and the balance of US\$1 million (1.057 ZWG cents per share) in local currency. A detailed notice will be issued providing further information regarding this dividend payment. In total, the Group declared a dividend of US\$2.5 million for the 2024 financial year.

6. DIRECTORATE
In the last quarter of 2024, the board appointed Mrs. Chipa Mafunga and Mr. Kumbirai Gundani as non-executive directors of the company. We welcome them onto the board.

7. OUTLOOK
Looking ahead, the Group remains vigilant to potential challenges arising from economic headwinds, geopolitical tensions in key source markets, and global conflicts. However, the hospitality and tourism industry has demonstrated remarkable resilience over the years. With strong fundamentals and strategic adaptability, we are confident in the sector's long-term growth prospects and remain optimistic about the future.

The Company is in the final stages of completing a transaction to acquire Montclair Hotel and Casino. A detailed notice will be issued in due course advising all stakeholders. This acquisition presents significant opportunities for revenue growth, operational synergies, and enhanced brand positioning. By integrating Montclair Hotel into our portfolio, we are well-positioned to capitalize on the increasing demand for quality hospitality experiences, reinforcing our commitment to sustainable expansion and long-term value creation.

8. ACKNOWLEDGEMENTS
On behalf of the Board, I would like to thank all RTG customers and business partners for their invaluable support. I also extend my gratitude to my fellow Board members and our dedicated staff for their professionalism and determination to succeed.

Together, we will continue to innovate and seize the opportunities available to us in order to create sustainable value for all stakeholders.

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31.12.2024 US\$	31.12.2023 US\$
Revenue	5	44 397 592	43 617 403
Cost of sales		(13 219 927)	(13 184 306)
Gross profit		31 177 665	30 433 097
Other operating income	6	6 130 987	1 734 563
Operating expenses	7	(27 562 618)	(25 740 908)
Earnings before interest, tax, depreciation and amortisation		9 746 034	6 426 752
Depreciation and amortisation		(1 643 389)	(500 595)
Profit from operations		8 102 645	5 926 157
Net finance costs		(189 762)	(112 558)
Profit before tax for the year		7 912 883	5 813 599
Income tax		(2 546 982)	(1 247 526)
Profit after tax for the year		5 365 901	4 566 073
Other comprehensive income:			
(Loss)/ gain on property revaluation, net of tax		(393 289)	14 594 079
Total comprehensive income for the year		4 972 612	19 160 152
Earnings per share			
Basic earnings per share	8	0.22	0.19
Headline earnings per share		0.23	0.19


D. HOTO
CHAIRMAN
10 March 2025

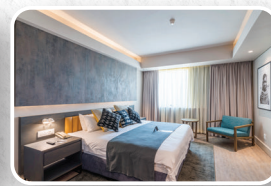
INDEPENDENT AUDITORS' REPORT

The abridged audited financial results should be read in conjunction with the complete set of audited consolidated financial statements of Rainbow Tourism Group Limited and its subsidiary for the year ended 31 December 2024 which have been audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing. The audit report carries an unmodified opinion and we have included a key audit matter on the valuation of property and equipment. The auditor's report on the consolidated financial statements, which forms the basis of these abridged financial results, is available for inspection at the Group's registered office. The Engagement Partner responsible for the audit is Mr. Martin Makaya (PAAB 0407).


BDO Zimbabwe Chartered Accountants
Per: **Martin Makaya CA (Z)**
Partner
Registered Public Auditor (PAAB Certificate No: 0407)



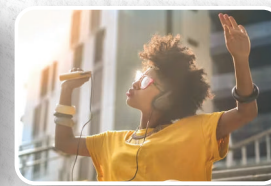
Online Shopping



Accommodation



Insurance



Music

AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31.12.2024 US\$	31.12.2023 US\$
ASSETS			
Non current assets			
Property and equipment	9	48 757 513	43 948 898
Intangible assets	10	87 235	89 866
Right of use assets	11	968 765	185 984
		49 813 513	44 224 748
Current assets			
Inventories	12	3 163 469	3 018 028
Trade and other receivables	13	6 569 949	3 168 905
Financial assets		2 527 838	1 405 492
Bank and cash balances	14	2 440 126	2 137 143
		14 701 382	9 729 568
Total assets		64 514 895	53 954 316
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		249 650	249 650
Share premium		1 470 887	1 470 887
Revaluation reserve		29 261 376	29 654 665
Retained earnings		6 971 013	3 233 171
Total equity		37 952 926	34 608 373
Non current liabilities			
Lease liabilities	11	866 500	1 357 773
Borrowings	15	2 458 333	378 667
Deferred tax liability	16	10 847 485	9 241 577
		14 172 318	10 978 017
Current liabilities			
Borrowings	15	1 041 667	189 333
Trade and other payables	17	10 254 474	7 576 236
Corporate tax liability		942 856	230 895
Bank overdraft	14	-	241 782
Lease liabilities	11	150 655	129 680
		12 389 651	8 367 926
Total liabilities		26 561 969	19 345 943
Total equity and liabilities		64 514 895	53 954 316

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital US\$	Share premium US\$	Revaluation reserve US\$	Retained Earnings US\$	Total equity US\$
Balance at 1 January 2023	249 650	1 470 887	15 060 586	514 612	17 295 735
Comprehensive income for the period	-	-	14 594 079	4 566 073	19 160 152
Dividend paid	-	-	-	(1 847 514)	(1 847 514)
Balance at 31 December 2023	249 650	1 470 887	29 654 665	3 233 171	34 608 373
Comprehensive income for the period	-	-	(393 289)	5 365 901	4 972 612
Dividend paid	-	-	-	(1 628 059)	(1 628 059)
Balance at 31 December 2024	249 650	1 470 887	29 261 376	6 971 013	37 952 926

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Rainbow Tourism Group Limited is a company incorporated and domiciled in Zimbabwe. The Group is in the tourism services industry as hoteliers and providers of conference facilities. Its registration number is 4880/91. The Group is listed on the Zimbabwe Stock Exchange (ZSE).

These consolidated financial statements use the United States Dollars (US\$) as its functional currency, being the currency of the primary economic environment in which the Group operates.

2. Accounting policies

The Group reports in terms of International Financial Reporting Standards (IFRSs). The principle accounting policies have been applied consistently in all material respects in compliance with IFRSs. There are no new IFRSs or amendment to IFRSs that are effective for the first time this interim period that would be expected to have a material effect on the Group.

The financial information has been audited by BDO Chartered Accountants Zimbabwe.

3. Change in the Group's functional currency

Effective 1 January 2024, the Group changed its functional currency from the Zimbabwe dollar (ZWL) to United States Dollar (USD). In assessing functional currency, the following factors were considered: (i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled); (ii) the currency which influences labour, material and other costs of providing goods and services; (iii) the currency in which funds from financing activities are generated; (iv) the currency in which receipts from operating activities are usually retained. The Group concluded that based on the above factors, there has been a change in the Group's functional currency from ZWL to United States Dollars ("USD") with effect from 1 January 2024.

4. Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS), promulgated by the International Accounting Standards Board, (IASB) as issued by the International Financial Reporting Interpretations Committee, (IFRIC) and adopted by the Public Accountants and Auditors Board, (PAAB) constituted under the Public Accountants and Auditors Act (Chapter 27:12) and the Companies and Other Business Entities Act (Chapter 24:31) except where otherwise stated. The consolidated financial statements for the year ended 31 December 2024 (including comparatives) were approved and authorised for issue by the Board of Directors on 10 March 2025. Amendments to the consolidated financial statements are not permitted after approval.

5. Revenue

	31.12.2024 US\$	31.12.2023 US\$
Rooms revenue	17 648 295	17 416 837
Food, beverages and conferencing	23 420 757	22 805 818
Other operating activities	3 328 540	3 394 748
	44 397 592	43 617 403
6. Other income		
Rental income	665 715	416 057
Other sundry income	5 465 272	1 318 505
	6 130 987	1 734 562

7. Operating expenses

Administrative expenses	17 624 462	16 073 169
Selling & distribution expenses	4 263 478	4 051 021
Other operating expenses	7 318 067	6 117 313
	29 206 007	26 241 503

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31.12.2024 US\$	31.12.2023 US\$
CASHFLOWS FROM OPERATING ACTIVITIES			
Profit before tax			
		7 912 883	5 813 598
Depreciation of property and equipment		1 643 389	500 595
Other provisions & write offs		-	363 785
Fair value adjustment on investments		212 450	260 841
Unrealised gain on borrowings		-	287 810
Unrealised (gain) /loss on lease liability		(1 320 317)	1 358 358
Loss on disposal of property & equipment		183 785	-
Net finance costs		189 762	112 558
Operating profit before working capital changes		8 821 952	8 697 545
Increase in inventories		(145 441)	(2 196 243)
Increase in trade and accounts receivables		(3 401 045)	(82 152)
Increase in trade and other payables		2 678 238	3 609 687
Cash generated from operations		7 953 704	10 028 837
Finance costs		(65 928)	(17 244)
Income tax paid		(92 719)	(60 553)
Net cash generated from operating activities		7 795 057	9 951 040
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	9	(7 840 416)	(4 222 498)
Investment in short term deposits		(2 465 280)	-
Purchase of shares		(171 821)	-
Development of intangible assets	10	(5 374)	(27 201)
Proceeds from sale of property and equipment		777 009	-
Proceeds/(purchase) of gold-backed digital coins		1 302 304	(1 665 902)
Net cash used in investing activities		(8 403 578)	(5 915 601)
CASHFLOWS FROM FINANCING ACTIVITIES			
Principal paid on lease liability		(150 655)	(798 571)
Increase in borrowings		3 500 000	325 810
Repayment of borrowings		(568 000)	(45 621)
Dividend paid		(1 628 059)	(1 847 514)
Net cash utilised in financing activities		1 153 286	(2 365 896)
Net increase in cash and cash equivalents		544 765	1 669 543
Cash and cash equivalents at beginning of period		1 895 361	225 818
Cash and cash equivalents at end of period	14	2 440 126	1 895 361

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AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	31.12.2024 US\$	31.12.2023 US\$
8. Earnings per share		
Number of shares (000s)		
Authorised shares of 0.01 US cents each	2 500 000	2 500 000
Issued and fully paid shares of 0.01 US cents each	2 459 537	2 459 537
8.1 Basic earnings per share (continuing operations)		
Profit attributable to shareholders	5 365 900	4 566 072
Weighted average number of shares in issue(000s)	2 459 537	2 459 537
Basic earnings per share(US cents)	0.217	0.185
8.2 Headline earnings per share continuing operations		
Profit attributable to shareholders	5 365 900	4 566 072
Loss on sale of assets	183 785	12 490
	5 549 685	4 578 562
Weighted average number of shares in issue(000s)	2 459 537	2 459 537
Headline earnings per share(US cents)	0.225	0.185
9. Property and equipment		
Opening carrying amounts	43 948 898	21 159 657
Additions to property and equipment	7 840 416	4 222 498
Revaluation surplus	(529 682)	19 427 079
Depreciation charge	(1 541 325)	(496 550)
Carrying amounts of disposed assets	(960 794)	(363 786)
Closing carrying amounts	48 757 513	43 948 898
10. Intangible asset		
Opening carrying amounts	89 866	135 944
Additions	5 374	27 201
Revaluation	24 861	(69 272)
Amortisation charge	(32 866)	(4 007)
Closing carrying amounts	87 235	89 866
11. Right of use assets		
Opening carrying amounts	185 984	192 881
Accumulated Depreciation	782 781	(6 897)
Closing balance	968 765	185 984
Lease Liabilities		
Current liabilities	150 655	129 680
Non-current liabilities	866 500	1 357 773
Closing Balance	1 017 155	1 487 453

Right of use asset	Lease Term	Remaining term	Option for an extension
Kadoma Hotel & Conference Centre	20-25 years	13 years	Yes

The Group has a lease for Kadoma Hotel & Conference Centre. With the exception of short-term leases and leases of low-value underlying assets, the lease is reflected on the statement of financial position as a right-of-use asset and lease liability. The Group classifies its right-of-use asset in a consistent manner to its property and equipment.

In accordance with the lease contract, the Group must keep those properties in a good state of repair and return the properties in their original condition at end of the lease term.

12. Inventories		
Food and beverage	445 949	1 497 239
Service stocks	436 157	796 341
Other stocks	2 281 363	724 448
	3 163 469	3 018 028
13. Trade and other receivables		
Trade receivables	4 508 576	2 729 701
Prepayments and other	2 061 373	439 204
	6 569 949	3 168 905
14. Bank and cash balances		
For the purpose of the statement of cash flow cash and cash equivalents comprise the following;		
Cash and bank balances	2 440 126	2 137 143
Bank overdraft	-	(241 782)
	2 440 126	1 895 361
15. Borrowings		
Current Portion	1 041 667	189 333
Long term Portion	2 458 333	378 667
	3 500 000	568 000

The bank loans are secured over the Group's land & building and are denominated in US\$. The average cost of money is pegged at 15% per annum.

NOTES TO THE AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	31.12.2024 US\$	31.12.2023 US\$
16. Deferred tax		
Analysis of deferred tax		
Property, plant and equipment	11 084 906	9 697 397
Intangible assets	22 462	22 115
Right of use assets	249 457	47 891
Lease Liability	(261 917)	(383 019)
Provisions	(247 423)	(142 807)
	10 847 485	9 241 577
Deferred tax reconciliation		
Balance at the beginning of the year	9 241 577	3 449 106
Movement through profit or loss	1 742 301	1 028 743
Movement through other comprehensive income	(136 393)	4 763 728
Balance at the end of the period	10 847 485	9 241 577
17. Trade and other payables		
Trade payables	1 084 119	3 955 481
Provisions and other payables	9 170 355	3 620 755
	10 254 474	7 576 236
18. Dividend		
The board has resolved to declare a second and final dividend of US\$1,500,000. The dividend will be payable in split of US\$500,000 (0.020US\$ cents per share) will be paid in foreign currency and the balance of US\$1 million (1.057 ZWG cents per share) in local currency. A detailed notice will be issued containing further information regarding to this dividend payment.		
19. Events after the reporting date		
There are no significant events after the reporting date that require separate disclosure.		

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAINBOW TOURISM GROUP LIMITED

Opinion

We have audited the consolidated financial statements of **RAINBOW TOURISM GROUP LIMITED AND ITS SUBSIDIARY** ("the Group") set out on pages 6 to 34, which comprise the consolidated 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 the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with the 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and 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.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Audit response
<p>Valuation of property and equipment</p> <p>Property and equipment is valued at US\$ 48 757 513 (2023: US\$ 43 948 898). A valuation exercise was carried out at year end. In determining the value of property and equipment (movable assets), the directors made extensive assumptions and judgements in the process.</p> <p>The determination of the value of property and equipment was therefore considered to be a matter of significance due to the inherent subjectivity of the key assumptions that underpin the valuation of property and</p>	<p>The Group applied the requirements of IFRS 13 and we:-</p> <ul style="list-style-type: none"> • Obtained an understanding of the approach followed by management for the valuation of the Group's property and equipment through discussions with management. • Assessed the work performed by the directors in valuing property and equipment by performing the following: <ol style="list-style-type: none"> a) Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements. b) Evaluated the principles and the integrity of the models used, in accordance with generally accepted valuation methodology.

equipment and the heightened uncertainty involved in making these assumptions.	<p>c) Assessed the inputs in the valuation model for accuracy and completeness.</p> <p>d) Evaluated the consolidation financial statement disclosures for appropriateness and adequacy.</p>
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Other Information

The directors are responsible for other information. The other information comprises the Chairman’s Statement, Director’s Report, Corporate Governance report and Sustainability Report, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or 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 on the other information that we have obtained prior to the date of the Auditors’ Report, we conclude that there is a material misstatement of the 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), 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 Group’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 Group or to cease operations, or have no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

Our objective is 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 Auditing Standards (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess risks of material misstatements 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 the internal controls.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group’s internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the 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 material uncertainty exists related to events or conditions that may cast significant doubt on the entity’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 audit report. However, future events or conditions may cause the group to cease or continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the directing, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

The accompanying consolidated financial statements were prepared in accordance with the requirements of section 273 of the Companies and Other Business Entities Act (Chapter 24:31).



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BDO Zimbabwe Chartered Accountants
Martin Makaya
Partner
Registered Public Auditor
PAAB Certificate No :0407

Kudenga House
3 Baines Avenue
Harare

10 March 2025