

G S GROUP LIMITED

**COMPILATION FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022**

**SHEBRILA & CO
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE
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DAR ES SALAAM**

GS GROUP LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31ST DECEMBER, 2022

The Directors hereby submit their report together with the audited financial statements for the year ended 31st December, 2022 which disclose the financial position of the Company. The financial statements are set out on page 4 to 12 of the report.

1.0 DIRECTORS

The Directors, who served GS GROUP LIMITED during the year ended 31st December, 2022 are stated below:

S/N	NAME OF DIRECTOR		NATIONALITY
1	DONG JIAN GUO		CHINESE
2	MEI YING SHI		CHINESE
3	YOU QING SHI		CHINESE
4	JIN SEN WU		CHINESE
5	XING GUO		CHINESE
6	YONG QING CHEN		CHINESE
7	SHI WENBIN		CHINESE

2.0 STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS:

The Directors are responsible for the preparation of the Financial Statements of G S GROUP LIMITED which shows a true and fair view of the state of affairs of the company in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB). The Auditors are responsible for reporting on these financial statements.

The Directors confirm that suitable accounting principles have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31st December, 2022. The Directors also, confirm that applicable accounting standards have been followed in the preparation of the financial statements.

The directors are responsible to ensure that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the company.

They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities. The Directors are also responsible for the maintenance of an adequate system of internal controls.

3.0 PRINCIPAL FUNCTIONS

The principal activities of the Company are import, assembling and sale of motor cycles and spares.

In exercising its functions of control and management, the Company shall have regard to:

- The political, economic and social aspirations of the people of the United Republic of Tanzania.
- The health and general welfare of the members of the public by guiding its operations in a manner that conserves the environment in a coherent and sustainable way.

4.0 PERFORMANCE AND FUTURE DEVELOPMENT

Performance

The Financial Statements have indicated that:

- There has been a systematic increase in the company's income.
- The company has got well-articulated corporate plans to guide in the operations both in the short term and the foreseeable future.

Future Development Plans

The company's vision is to increase the assembling of motor cycles.

5.0 SOLVENCY OF THE COMPANY

The Directors have reviewed the current financial position of the company. On the basis of the review, the Directors are of the opinion that the company is on sound financial footing, being able to meet all its current and maturing financial obligations without hindrance.

6.0 EMPLOYEES WELFARE

Relationship between Management and Employees

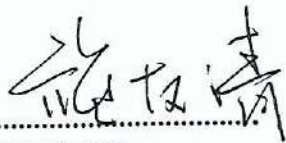
There is a systematic procedure of communication with employees on a regular basis, which is done through meetings with management and staff.

Persons with disabilities

It is the company's policy to give equal opportunities to persons with disabilities for vacancies they are able to work. Employment by the company is therefore non-discriminatory.

7.0 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 31st December 2022


.....
DIRECTOR

14/02/2023
DATE



**COMPILATION REPORT
TO
GS GROUP LIMITED**

On the basis of information provided by Management we have compiled, in accordance with the International Standard on Related Services (ISRS 4410) applicable to compilation engagement, the Statement of Financial Position of **G S GROUP LIMITED** as of **31st December, 2022** and Statement of Comprehensive Income and Cash Flows for the year then ended. Management is responsible for these Financial Statements.

These financial statements and accuracy and completeness of the information used to compile them are your responsibility.

Since compilation engagement is not an assurance engagement, we are not required to verify the accuracy and completeness of the information you provided to us to Compile these Financial Statements. Accordingly, we do not express an opinion or review conclusion on whether these Financial Statements are prepared in accordance with the basis of accounting described in Note 1.0.

As described in Note 1.0, the Financial Statements are prepared and presented in accordance with International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME'S). The Financial Statements are prepared for the purpose described in Note 1.0 to the Financial Statements. Accordingly, these Financial Statements may not be suitable for other purposes.


B. M. HAKILI - ACPA 442



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Date:

G S GROUP LIMITED

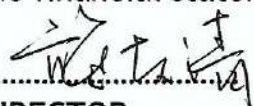


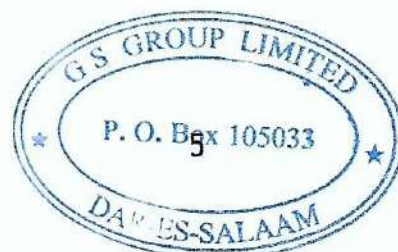
(Registration number 95762)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Notes	31.12.2022 TZS	31.12.2021 TZS
ASSETS			
Non current assets:			
Property, plant and equipment	2	<u>113,538,587</u>	<u>118,431,036</u>
Current assets			
Cash and Bank equivalents	3	3,430,861,133	2,460,486,391
Inventories	4	598,657,061	491,305,020
Trade and other receivables	5	<u>118,890,000</u>	<u>129,090,000</u>
Total current assets		<u>4,148,408,194</u>	<u>3,080,881,411</u>
TOTAL ASSETS		<u>4,261,946,782</u>	<u>3,199,312,445</u>
EQUITY AND LIABILITIES			
Equity attributable to Owners			
Authorised Share Capital			
1,000 Ordinary Shares of TZS 1,000,000/=		<u>1,000,000</u>	<u>1,000,000</u>
Issued and Paid - up Shares			
992 Ordinary Shares of TZS 1,000,000	6	922,265,407	922,265,407
Retained income/(Loss)		<u>453,867,357</u>	<u>244,963,069</u>
Total Equity		<u>1,376,132,764</u>	<u>1,167,228,476</u>
Current liabilities			
Trade and other payables	7	2,847,612,723	1,856,986,211
Tax Account	10	<u>38,201,296</u>	<u>175,097,758</u>
Total current liabilities		<u>2,885,814,019</u>	<u>2,032,083,969</u>
TOTAL EQUITY AND LIABILITIES		<u>4,261,946,782</u>	<u>3,199,312,445</u>

The accounting policies on page 8 to 11 and the notes on page 9 to 12 form part of the financial statements.


.....
DIRECTOR



14/02/2023
.....
DATE



G S GROUP LIMITED

(Registration number 95762)

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

		31.12.2022	31.12.2021
	Notes	TZS	TZS
Revenue		48,087,528,060	44,513,775,211
Cost of sales	8	47,351,458,947	43,684,733,039
Gross profit		736,069,112	829,042,172
Expenses	9	402,157,916	511,200,928
Profit/(Loss) before tax		333,911,196	317,841,244
Corporation Tax		98,201,296	95,352,373
Prior year's tax		26,805,613	350,898,593
Profit/(Loss) after tax		208,904,288	(128,409,722)

The accounting policies on page notes 1 to 12 form part of these financial statements.


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DIRECTOR



14/02/2023
.....
DATE

G S GROUP LIMITED

(Registration number 95762)

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	<u>Share Capital</u>	<u>Retained/(Loss) Earnings</u>	<u>Total Equity</u>
Balance at 1 January 2021	922,265,407	373,372,791	1,295,638,198
Profit/(Loss) for the Year	-	(128,409,722)	(128,409,722)
Balance at 31 December 2021	<u>922,265,407</u>	<u>244,963,069</u>	<u>1,167,228,476</u>
Profit/(Loss) for the Year	-	333,911,196	333,911,196
Corporation Tax	-	(98,201,296)	(98,201,296)
Prior year's Tax	-	(26,805,613)	(26,805,613)
	<u>922,265,407</u>	<u>453,867,357</u>	<u>1,376,132,764</u>

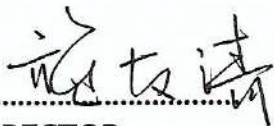


G S GROUP LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2022

	31.12.2022 TZS	31.12.2021 TZS
Cash from operating activities		
Profit/(Loss) before Tax	333,911,196	317,841,244
Prior years' tax		45,182,862
Depreciation	6,866,686	
	<u>340,777,882</u>	<u>363,024,106</u>
Working capital adjustments:		
(Increase)/decrease in Inventories	(107,352,041)	(115,893,259)
(Increase)/decrease in Debtors	10,200,000	32,841,000
Increase/(decrease) in Payables	990,626,512	1,464,484,578
Net cash flow from/(used in) Operating Activities	<u>893,474,471</u>	<u>1,381,432,319</u>
CASH FROM OPERATIONS	<u>1,234,252,350</u>	<u>1,744,456,425</u>
Cash flow from/(to) investing activities		
(Purchases) of property, plant and equipment	<u>(1,974,237)</u>	<u>(32,000,251)</u>
	1,232,278,113	1,712,456,174
Income tax paid	<u>(261,903,371)</u>	<u>(271,153,207)</u>
Net Cash from/(used) investing activities	<u>970,374,742</u>	<u>1,441,302,967</u>
Cash flow from financing activities		
Paid up capital	<u>-</u>	<u>-</u>
	-	-
Net increase/(Decrease) in cash and cash equivalents	970,374,742	1,441,302,967
Cash and cash equivalents at the beginning of the year	<u>2,460,486,391</u>	<u>1,019,183,424</u>
Cash and cash equivalent at the end of the year	<u>3,430,861,133</u>	<u>2,460,486,391</u>

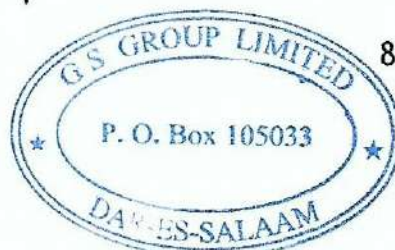
The notes 1 to 13 form part of these financial statements.



DIRECTOR

14/02/2023

DATE



G S GROUP LIMITED

Notes to the financial statements for the year
ended 31st December, 2022

NOTE 1.0 GENERAL INFORMATION

G S GROUP Limited was incorporated on 12th December, 2012 under the Companies Act 2002 vide Certificate of Incorporation No. 95762. The registered Office of the Company is at DELA(Cocacola) Road, Mikocheni - Ilala District, P. O. Box 105033, Dar Es Salaam - Tanzania.

Current activities of the company are the Import, assemble and Sale of Motorcycles.

NOTE 1.1 PRINCIPAL ACCOUNTING POLICIES

1.1.1 Basis of Preparation

The accounts have been prepared under the historical cost Convention in accordance with International Financial Reporting Standards

1.1.2 Currency Translation

(i) Presentation Currency

The financial statements are presented in Tanzania Shillings.

(ii) Translation of foreign Currency

Transactions in foreign currencies are translated into Tanzania shilling based on exchange rates ruling at the date of the respective transaction. All assets and liabilities designated in Foreign Currencies as at the year-end are translated into Tanzania shillings at the rates ruling at the Balance Sheet date. Exchange gains and losses resulting from the settlement of such transactions at year-end are recognised in the Profit and Loss Account.

1.2 Property, Plant and Equipment

Property, Plant and Equipment comprise of, motor vehicles, office equipment, furniture, computer and printer. All property, plant and equipment are shown at cost/valuation, less depreciation.

Depreciation is to be calculated using the straight-line method to allocate the cost /valuation of each asset to its residual value over its estimated useful life as follows:

G S GROUP LIMITED

Notes to the financial statements for the year ended 31st December, 2022(continued)

ASSET	%
IT Equipment	12.50
Office Equipment	12.50
Motor Vehicles	25.00
Furniture	12.50

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Profit and Loss Account.

Full depreciation is charged in the year the asset is acquired and none is charged during the year of disposal.

1.3 Trade Receivables

The Company recognizes trade receivables initially at original invoice amount, which is fair value at transaction date. An allowance for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is recognized in the Statement of Comprehensive Income

1.4 Cash and Cash Equivalents

The company's cash comprises cash in hand and at banks.

(i) Liquidity and Credit Risks

The liquidity and credit risks associated with cash and cash equivalents is limited to the extent that the banks into which the funds have been deposited have high credit-ratings assigned by international credit-rating agencies. Risks associated with trade and other receivable is low.

G S GROUP LIMITED

Notes to the financial statements for the year ended 31st December, 2022(Continued)

1.5 Inventory

Inventories comprise Motor Cycles. These are stated at the lower of cost or net realizable value. Cost is determined using first-in first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

1.6 Foreign Currency Transactions

Transactions in foreign currencies during the year are converted into Tanzania shillings at rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are restated in Tanzanian shillings using the rate ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of comprehensive income in the year in which they arise.

1.7 Revenue

Income represents sale of Motorcycles.

1.8 Expenditure

All expenditures are recognised on accrual basis

1.9 Social Security Costs

The Company makes monthly contributions to National Social Security Fund (NSSF). The Company contributes 10% and employees contribute 10% of the employee's gross salary. The Company has no further payment obligations once the contributions have been remitted. The employers' contributions are charged to the statement of comprehensive income during the year under review.

G S GROUP LIMITED

(Registration number 95762)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022 (Continued)

NOTE 2: Property, plant and equipment

Cost or Revaluation	Plant and Machinery-WIP	Motor Vehicles	Office Equipment	Furniture & Fixtures	IT Equipments	Total
	TZS	TZS	TZS	TZS	TZS	TZS
As at 01.01.2022	92,724,829	180,731,448	2,153,898	3,217,097	11,729,575	290,556,847
Additions	-	-	-	1,974,237	-	1,974,237
As at 31.12.2022	92,724,829	180,731,448	2,153,898	5,191,334	11,729,575	292,531,084
DEPRECIATION						
As at 01.01.2022	-	156,118,239	2,153,897	2,501,219	11,352,456	172,125,811
Charge for the Year	-	6,153,302	-	336,264	377,119	6,866,686
As at 31.12.2022	-	162,271,541	2,153,897	2,837,483	11,729,575	178,992,497
NET BOOK VALUE						
As at 31.12.2022	92,724,829	18,459,907	1	2,353,851	-	113,538,587
As at 31.12.2021	92,724,828	24,613,209	1	715,878	377,119	118,431,036

G S GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	31.12.2022 TZS	31.12.2021 TZS
3 Cash and Cash equivalents		-
Cash		
Bank balances	3,430,861,133	2,460,486,391
Total	<u>3,430,861,133</u>	<u>2,460,486,391</u>
4 Inventories		
Raw materials, components	598,657,061	491,305,020
Total	<u>598,657,061</u>	<u>491,305,020</u>
5 Trade and other receivables		
Trade receivables	-	-
Other receivables	118,890,000	129,090,000
	<u>118,890,000</u>	<u>129,090,000</u>
6 SHARE CAPITAL		
AUTHORISED:		
1,000 ordinary shares of TZS 1,000,000/= each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and paid up capital		
922 Ordinary shares of TZS 1,000,000/= each	922,265,407	922,265,407
	<u>922,265,407</u>	<u>922,265,407</u>
7 Trade and other payables		
Trade payable	2,847,612,723	1,687,378,557
VAT	-	169,607,654
Other payables	-	-
Total	<u>2,847,612,723</u>	<u>1,856,986,211</u>
8 Cost of Sales		
Opening stock	491,305,020	375,411,762
Add: Purchases	47,458,810,988	43,800,626,297
Total	<u>47,950,116,008</u>	<u>44,176,038,059</u>
Less: Closing stock	598,657,061	491,305,020
Total	<u>47,351,458,947</u>	<u>43,684,733,039</u>

G S GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	31.12.2022 TZS	31.12.2021 TZS
9 Operating expenses		
Professional fees	2,000,000	2,000,000
Bank charges	9,721,528	6,049,591
Cleaning	540,000	357,085
Depreciation	6,866,686	45,182,862
Employee cost	76,474,580	99,463,480
Electronic items	2,637,966	4,015,254
Electricity and water	2,638,000	1,712,081
Other expenses	6,451,345	17,268,797
Business Licence	700,000	700,000
Fine and Penalties	60,000	120,000
Fees	-	7,951,572
Insurance	-	1,365,050
Rent	161,894,800	150,094,800
OSHA	1,980,000	770,000
Motor Vehicle Running Expenses	33,358,252	34,758,311
Printing and Stationery	859,983	514,720
Business Promotion	60,000	2,881,356
Immigration expenses	-	44,160,000
Repair and Maintenance	4,333,763	3,508,475
Stamp duty	390,000	390,000
Transport expenses	31,070,000	37,516,642
Security	45,075,392	2,889,873
Hardware	2,927,898	2,092,890
Staff welfare	35,000	555,000
Medical expenses	1,861,800	15,680,000
Training fee	-	16,250,000
Telephone, postage and internet	3,889,830	908,071
Travelling and accomodation	6,331,093	12,045,018
Total	402,157,916	511,200,928

G S GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	31.12.2022 TZS	31.12.2021 TZS
10 Employee cost		
Gross salaries	66,760,000	79,700,000
WCF	368,180	635,480
SDL	2,670,400	3,188,000
NSSF	6,676,000	15,940,000
Total	76,474,580	99,463,480
11 Taxation		
Balance b/forward	175,097,758	-
Tax provision for the year	98,201,296	95,352,373
Previous year- tax liability	26,805,613	350,898,593
Total	300,104,667	446,250,966
Previous year tax liability- paid	201,903,371	211,153,208
Current year tax paid	60,000,000	60,000,000
Balance c/forward	38,201,296	175,097,758