

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020**

KILIMANJARO CABLES (T) LIMITED

P. O. BOX 2562

DAR ES SALAAM

PAN & ASSOCIATES,
2nd Floor, NHC Biashara Complex,
Mwinyijuma Road, Mwananyamala,
P. O. BOX 79822,
Dar Es Salaam.
Tel: 0786 845 920
+255 22 272 6421
E. mail: pan_associates@yahoo.co.uk

*** Auditors* Tax Consultants* Secretarial Services***

DECEMBER 2020

PAN & ASSOCIATES
CERTIFIED ACCOUNTANTS IN PUBLIC PRACTICE
TAX & MGT CONSULTANTS
P.O. Box 79822
DAR-ES-SALAAM

KILIMANJARO CABLES (T) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

CONTENTS	PAGE NO.
Corporate Information	1
Statement of Directors' Responsibilities	2
Directors' Report	3-4
Declaration of the Head of Accounting	5
Independent Auditor's Report	6-7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flow	10
Statement of Changes in Owners' Equity	11
Notes to the Financial Statements	12-20

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020****CORPORATE INFORMATION**

	Name	Nationality
Directors:	1. Aliasgar Hatimali Ezzi	Tanzanian
	2. Yusuf Hatimali Ezzi	Tanzanian
	3. Mansoormoiz Hussein Kadirbhai	Tanzanian

Registered Office: Plot No. 161/1/1
Kurasini, Ware House B
P. O. Box 2562,
Dar Es Salaam,
Tanzania.
Tel: 2863835 / 2863830

TIN: 101-049-566

VRN: 10-014521-G

Principal Banker: NBC Ltd
Kichwele Branch
P. O. Box 9044,
Dar Es Salaam,
Tanzania.

Auditors: **PAN & ASSOCIATES**
Certified Public Accountants in Public Practice
2nd Floor, NHC Biashara Complex
Mwinyijuma Road, Mwananyamala
P. O. Box 79822, Dar es Salaam
Tel: 0786 84 59 20
Email: pan_associates@yahoo.co.uk



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020

The directors are required in terms of the Companies Act of 2002 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 period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2002, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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.

DIRECTOR: _____



DATE: _____

15/12/2020

DIRECTORS' REPORT**1. INTRODUCTION**

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 30th June 2020, which disclose the state of affairs of the company.

2. PRINCIPAL ACTIVITY

The Principal activity of the company remains that of manufacturing and selling of wires and cables. The Company is registered with the Tanzania Investment Center under the manufacturing category.

3. STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Companies Act, 2002, 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 results and cash flows for that year.

The Board of directors is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the International Financial Reporting Standards (IFRS) and the Companies Act, 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors confirm that suitable accounting policies 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 30th June 2020. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4. DIRECTORS

The Directors of the Company who held office during the year ended include:

Name	Nationality
1. Yusuf Hatimali Ezzi	Tanzanian
2. Aliasger Hatimali Ezzi	Tanzanian
3. Mansoormoiz Hussein Kadirbhai	Tanzanian



DIRECTORS' REPORT

5. RESULTS AND SOLVENCY

The results for the period, the appropriation thereof and the state of affairs of the Company are set out on page 8 - 11.

6. DIVIDENDS


The Directors do not recommend the payment of dividends for the year.

7. AUDITORS

The Directors have appointed PAN & ASSOCIATES, a firm of Certified Public Accountants in Public Practice as auditors of the Company for this financial year.

BY ORDER OF THE BOARD

DIRECTOR



DATE

15/12/2020

DECLARATION OF THE HEAD OF ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, Rajab Gwota, being the Head of Finance /Accounting of Kilimanjaro Cables (T) Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 8 to 20 for the year 30th June 2020 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Kilimanjaro Cables (T) Limited as on that date and they have been prepared based on properly maintained financial records.

Signed by: 

Date: 15/12/2020

Position: Head of Finance / Accounting

NBAA Membership No.: ACPA-1759



INDEPENDENT AUDITORS' REPORT

Page 6

**To the Directors of KILIMANJARO CABLES (T) LIMITED
Report on the Audit of Financial Statements**

1. OPINION

We have audited the financial statements of Kilimanjaro Cables (T) Limited which comprise of the statement of financial position as at 30th June 2020 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 30th June 2020 and of its financial performance and cash flows for the year ended 30th June 2020, and that they comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs).

2. BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in paragraph 5 of this report.

We are independent of the Entity in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountant's (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. EMPHASIS OF MATTER

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

4. DIRECTORS' RESPONSIBILITIES

As described in the statement of director's responsibilities, the Directors are responsible for the preparation of the financial statements.



5. AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and our responsibility is to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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 decision of users, taken on the basis of these financial statements.

For: PAN & ASSOCIATES

Certified Public Accountants in Public Practice

Peter A. Njau
Managing Director
(ACPA 1137)

Date :

Place : Dar es Salaam



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2020

	NOTES	2020 Tzs	2019 Tzs
Revenue	2	104,568,186,077	47,110,797,324
Cost of sales	17	<u>(100,007,437,894)</u>	<u>(44,994,887,594)</u>
Gross profit		4,560,748,183	2,115,909,731
Administrative expenses	15	(2,181,431,495)	(1,148,666,614)
Other operating expenses	16	<u>(854,954,553)</u>	<u>(497,018,129)</u>
Profit / (Loss) before tax	3	1,524,362,135	470,224,989
Tax	4	<u>(493,049,518)</u>	<u>(357,206,330)</u>
Profit / (Loss) after tax		<u>1,031,312,617</u>	<u>113,018,659</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.

The financial statements on pages 8 to 20 were approved by the Directors and were signed on the company's behalf by:


Director: Aliasger Hatimali Ezzi

Date: 15/12/2020


Director: Yusuf Hatimali Ezzi

Date: 15/12/2020

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020

	NOTES	2020 Tzs	2019 Tzs
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	5	<u>4,384,393,784</u>	<u>2,506,675,096</u>
CURRENT ASSETS			
Inventories	6	4,033,124,077	9,733,124,077
Receivables and prepayments	7	12,566,484,808	9,188,123,485
Cash and cash equivalents	12	<u>4,180,683,198</u>	<u>202,493,201</u>
		<u>20,780,292,083</u>	<u>19,123,740,763</u>
TOTAL ASSETS		<u>25,164,685,867</u>	<u>21,630,415,858</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	8	10,000,000,000	10,000,000,000
Retained earnings	9	<u>(1,175,231,345)</u>	<u>(1,845,752,174)</u>
		<u>8,824,768,655</u>	<u>8,154,247,826</u>
CURRENT LIABILITIES			
Payable and accruals	10	15,947,576,770	13,111,250,060
Deferred tax liability	11	354,718,933	338,899,619
Taxation		<u>37,621,504</u>	<u>26,018,353</u>
		<u>16,339,917,207</u>	<u>13,476,168,033</u>
TOTAL EQUITY & LIABILITIES		<u>25,164,685,867</u>	<u>21,630,415,858</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.



STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2020

	2020 Tzs	2019 Tzs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	1,524,362,135	470,224,989
Adjustment for:		
Depreciation	811,172,011	501,093,555
Profit before taxation before working capital changes	<u>2,335,534,146</u>	<u>971,318,543</u>
Working capital changes:		
Inventories	5,700,000,000	296,865,003
Receivables and prepayments	(3,378,361,323)	(5,805,733,110)
Payables and accruals	<u>2,836,326,709</u>	<u>1,308,487,903</u>
	7,493,499,532	(3,229,061,661)
Less: Taxation paid	<u>(826,418,841)</u>	<u>(412,131,822)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>6,667,080,691</u>	<u>(3,641,193,483)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	<u>(2,688,890,695)</u>	<u>(1,166,235,507)</u>
NET CASH FLOW AFTER INVESTING ACTIVITIES	<u>(2,688,890,695)</u>	<u>(1,166,235,507)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Increase / (Decrease) in Shareholder Capital	<u>-</u>	<u>4,815,230,000</u>
NET CASH FLOW AFTER FINANCING ACTIVITIES	<u>-</u>	<u>4,815,230,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>3,978,189,997</u>	<u>7,801,010</u>
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance as at 1st January	202,493,201	194,692,191
Balance as at 31st December	<u>4,180,683,198</u>	<u>202,493,201</u>
	<u>3,978,189,997</u>	<u>7,801,010</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2020**

	SHARE CAPITAL Tzs	ACCUMULATED PROFIT / (LOSS) Tzs	TOTAL Tzs
Year ended 30th June 2020			
As at 1st July 2019	10,000,000,000	(1,845,752,174)	8,154,247,826
Prior year tax audit liabilities	-	(360,791,788)	(360,791,788)
Profit / (Loss) for the year	-	1,031,312,617	1,031,312,617
As at 30th June 2020	<u>10,000,000,000</u>	<u>(1,175,231,345)</u>	<u>8,824,768,655</u>
Year ended 30th June 2019			
As at 1st July 2019	5,184,770,000	(1,747,445,923)	3,437,324,077
Increase in Share Capital	4,815,230,000	-	4,815,230,000
Prior year tax audit liabilities	-	(211,324,910)	(211,324,910)
Profit / (Loss) for the year	-	113,018,659	113,018,659
As at 30th June 2019	<u>10,000,000,000</u>	<u>(1,845,752,174)</u>	<u>8,154,247,826</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020**

1. COMPLIANCE WITH IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

2. PRINCIPAL ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared in accordance with the historical cost convention.

b) Going Concern

The directors of the Company have expressed their willingness to continue with the transport services business for the foreseeable future.

c) Revenue Recognition

Revenue comprises the invoiced value of goods sold during the year net of Value Added Tax (VAT). Income is recognized when goods are supplied and are accepted by a customer.

d) Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for the cost of realization. Provision is made where necessary for obsolescence, slow moving and defective inventories.

e) Property, Plant and Equipment and Depreciation

These comprises of Machinery, Furniture, Equipment and Motor vehicles. These are stated at their written down values (WDV). Depreciation is calculated on a Straight-line balance method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Machinery, Equipment and Motor Cycles	12.5
Motor Vehicles	25.0
Computers	33.3

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2020

5. FIXED ASSETS

	MACHINERY, EQUIPMENT AND BUILDING RENOVATION Tzs	COMPUTERS Tzs	MOTOR CYCLES Tzs	MOTOR VEHICLES Tzs	TOTAL Tzs
AT COST:					
Balance as at 1st July 2019	4,708,266,934	70,407,675	17,757,545	213,838,077	5,010,270,230
Additions	2,327,519,391	10,270,763	-	351,100,541	2,688,890,695
Balance as at 30th June 2020	<u>7,035,786,325</u>	<u>80,678,438</u>	<u>17,757,545</u>	<u>564,938,618</u>	<u>7,699,160,925</u>
DEPRECIATION:					
Balance as at 1st July 2019	2,301,370,174	36,303,987	17,757,545	148,163,428	2,503,595,134
Charge for the year	720,192,014	14,316,949	-	76,663,044	811,172,007
Balance as at 30th June 2020	<u>3,021,562,188</u>	<u>50,620,936</u>	<u>17,757,545</u>	<u>224,826,472</u>	<u>3,314,767,141</u>
WRITTEN DOWN VALUE (W.D.V)					
W.D.V. as at 30th June 2020	<u>4,014,224,137</u>	<u>30,057,501.45</u>	<u>-</u>	<u>340,112,146</u>	<u>4,384,393,784</u>
W.D.V. as at 30th June 2019	<u>2,406,896,760</u>	<u>34,103,688.00</u>	<u>-</u>	<u>65,674,648</u>	<u>2,506,675,096</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2020

	2020 Tzs	2019 Tzs
6. INVENTORIES		
Raw materials	2,925,867,860	7,925,867,860
Finished goods	1,107,256,217	1,807,256,217
	<u>4,033,124,077</u>	<u>9,733,124,077</u>
7. RECEIVABLES AND PREPAYMENTS		
Trade Debtors	11,509,361,979	7,463,587,913
Value added tax (VAT) Asset	-	829,930,515
Prepayments	2,438,755	64,745,154
Advances paid	1,054,684,074	829,859,903
	<u>12,566,484,808</u>	<u>9,188,123,485</u>
8. SHARE CAPITAL		
Authorized capital:		
20,000,000 shares at Tzs. 500/= each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued and fully paid up capital:		
20,000,000 shares at Tzs. 500/= each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
9. RETAINED EARNINGS		
Balance as at 1st July	(1,845,752,174)	(1,747,445,923)
Prior year tax audit liabilities	(360,791,788)	(211,324,910)
Profit \ (Loss) for the period	<u>1,031,312,617</u>	<u>113,018,659</u>
Balance as at 30th June	<u>(1,175,231,345)</u>	<u>(1,845,752,174)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2020

	2020 Tzs	2019 Tzs
10. PAYABLES AND ACCRUALS		
Value added tax (VAT) Payable	564,228,146	-
Other Tax Payables	115,285,161	-
Trade creditors	15,198,511,424	12,962,416,909
Accruals	69,552,038	24,997,273
Related party balance	-	123,835,878
	<u>15,947,576,770</u>	<u>13,111,250,060</u>

11. DEFERRED TAX

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st July	(338,899,619)	(199,772,858)
Income statement (credit) (Note 4)	(15,819,314)	(139,126,761)
Balance as at 30th June	<u>(354,718,933)</u>	<u>(338,899,619)</u>

Deferred tax assets and liabilities and deferred tax charge attributable due to difference in capital allowance rates.

12. CASH AND CASH EQUIVALENTS

This comprises of :

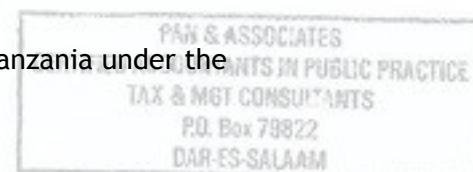
Cash in hand	62,386,054	6,643,227
Cash at bank	4,118,297,144	195,849,974
	<u>4,180,683,198</u>	<u>202,493,201</u>

13. CURRENCY

The financial statements are presented in Tanzania shilling currency, rounded to the nearest shilling.

14. LEGAL STATUS

The company is a limited liability company incorporated in Tanzania under the Companies Act 2002.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2020

	2020 Tzs	2019 Tzs
15. ADMINISTRATIVE EXPENSES		
EMPLOYMENT		
NSSF contribution	80,765,133	31,069,000
Skill and development levy	49,124,310	28,021,050
Salary and wages- Admin	189,960,000	69,720,000
Staff medical	39,236,987	9,320,100
Staff welfare	7,536,291	65,440,497
Workers Compensation fund	10,916,513	6,226,900
	<u>377,539,234</u>	<u>209,797,547</u>
ADMINISTRATION		
Accountancy and audit fees	15,000,000	12,500,000
Advertisement	24,502,932	11,443,010
Bank charges	467,455,201	120,941,166
Cleaning expenses	4,214,373	2,507,508
Contributions and Donations	33,453,000	-
Director fees	333,000,000	312,000,000
Entertainment	-	830,508
Exchange loss	555,337,358	173,765,481
Fire and Rescue	4,180,000	5,750,000
Inspection fees	2,580,700	500,000
Motor vehicle running expenses	123,385,985	95,715,479
Office General Expenses	22,905	-
Penalty & fines	150,000	1,944,033
Printing and stationery	22,848,749	11,653,375
Professional and Legal Services	-	-
Secretarial Fees	2,000,000	947,500
Security Charges	24,020,000	19,865,000
Stamp Duty	1,680,960	1,416,960
Telephone and postage	45,100,424	57,806,300
Theft	25,370,000	-
Transport and travelling	119,589,673	109,282,747
	<u>1,803,892,260</u>	<u>938,869,067</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>2,181,431,495</u>	<u>1,148,666,614</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2020

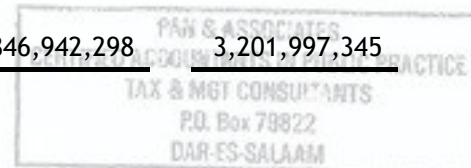
	2020 Tzs	2019 Tzs
16. OTHER OPERATING EXPENSES		
ESTABLISHMENT		
Depreciation on others	14,316,950	8,272,111
Other Motor Vehicle expenses (Parking Fees)	25,132	7,280
Insurance premium	27,729,981	50,000
Electricity and water	27,623,900	23,245,600
Licenses and subscriptions	15,992,000	7,166,000
City service levy	313,704,558	141,332,392
Repairs and maintenance	192,892,688	198,823,946
Rent	262,669,344	118,120,800
	<hr/>	<hr/>
TOTAL OTHER OPERATING EXPENSES	854,954,553	497,018,129
	<hr/>	<hr/>
17. COST OF SALES		
MANUFACTURING ACCOUNT		
Opening stock of raw materials	7,925,867,860	8,625,146,685
Purchases of raw materials	91,986,744,316	43,289,497,898
Less: Closing stock of raw materials	(2,925,867,860)	(7,925,867,860)
	<hr/>	<hr/>
COST OF RAW MATERIALS USED	96,986,744,316	43,988,776,723
	<hr/>	<hr/>
ADD: DIRECT COST		
Depreciation on machinery and tools	796,855,061	492,821,444
Electricity	801,440,825	556,912,377
Generator running	9,706,994	8,273,973
Machine running expenses	113,760,500	97,635,600
Salaries and wages	568,691,333	240,970,000
EFD Machine	1,301,864	-
Clearing Charges	12,650,000	5,500,000
Loading & Off-loading Charges	16,287,000	6,411,300
	<hr/>	<hr/>
COST OF GOODS MANUFACTURED	99,307,437,894	45,397,301,416
	<hr/>	<hr/>
Add : Opening stock of manufactured goods	1,807,256,217	1,404,842,395
Less: Closing stock of manufactured goods	(1,107,256,217)	(1,807,256,217)
	<hr/>	<hr/>
COST OF SALES	100,007,437,894	44,994,887,594
	<hr/>	<hr/>

**INCOME TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2020
TIN No: 101-049-566**

	2020 Tzs	2019 Tzs
Profit as per the accounts	1,524,362,135	470,224,989
Add back:		
Contributions and Donations	33,453,000	-
Depreciation	811,172,011	501,093,555
Unrealized exchange loss	85,533,253	24,953,491
Penalty	150,000	1,944,033
50% Entertainment	-	415,254
	<u>2,454,670,399</u>	<u>998,631,321</u>
Less: Depreciation and allowance	<u>(863,903,052)</u>	<u>(271,699,426)</u>
Profit / (Loss) for the year	<u>1,590,767,348</u>	<u>726,931,895</u>
Corporation tax 30%	477,230,204	218,079,568
Less: Tax paid		
Provisional tax	270,000,000	122,000,000
Withholding tax	169,608,700	70,061,216
	<u>439,608,700</u>	<u>192,061,216</u>
Tax payable	<u>37,621,504</u>	<u>26,018,353</u>

CALCULATION OF DEPRECIATION ALLOWANCE (FOR CLASS 1, 2 AND 3 OF DEPRECIABLE ASSET)

	Class 1 37.5%	Class 2 25%	Class 3 12.5%	Total
W.D.V. 1st July 2019	27,784,578	90,593,403	1,258,631,720	1,377,009,701
Addition	<u>10,270,763</u>	<u>351,100,541</u>	<u>2,327,519,391</u>	<u>2,688,890,695</u>
	38,055,341	441,693,944	3,586,151,111	4,065,900,397
Depreciation Allowance	(14,270,753)	(110,423,486)	(157,328,965)	(282,023,204)
Initial Allowance	<u>-</u>	<u>-</u>	<u>(581,879,848)</u>	<u>(581,879,848)</u>
W.D.V. 30th June 2020	<u>23,784,588</u>	<u>331,270,458</u>	<u>2,846,942,298</u>	<u>3,201,997,345</u>



**DEFERRED TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2020**

	2020 Tzs	2019 Tzs
Net book value as per accounts	4,384,393,784	2,506,675,096
Tax written down value	<u>3,201,997,345</u>	<u>1,377,009,701</u>
Accelerated Capital Allowances	1,182,396,439	1,129,665,394
Tax Loss	<u>-</u>	<u>-</u>
Total	<u>1,182,396,439</u>	<u>1,129,665,394</u>
Deferred tax @ 30% Accelerated Capital Allowances	354,718,932	338,899,618
Tax Loss	<u>-</u>	<u>-</u>
Total deferred tax	<u>354,718,932</u>	<u>338,899,618</u>
Opening deferred tax	338,899,618	199,772,857
Movement on deferred tax account	<u>15,819,314</u>	<u>139,126,761</u>
Deferred tax asset in respect of tax loss c/fwd		
Tax loss as at 30th June	-	-
Credit to deferred tax account @ 30%	-	-
Net credit to Deferred tax assets a/c	<u>15,819,314</u>	<u>139,126,761</u>

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021**

KILIMANJARO CABLES (T) LIMITED

P. O. BOX 2562

DAR ES SALAAM

PAN & ASSOCIATES,
2nd Floor, NHC Biashara Complex,
Mwinyijuma Road, Mwananyamala,
P. O. BOX 79822,
Dar Es Salaam.
Tel: 0786 845 920
+255 22 272 6421
E. mail: pan_associates@yahoo.co.uk

*** Auditors* Tax Consultants* Secretarial Services***

DECEMBER 2021

KILIMANJARO CABLES (T) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

CONTENTS	PAGE NO.
Corporate Information	1
Statement of Directors' Responsibilities	2
Directors' Report	3-4
Declaration of the Head of Accounting	5
Independent Auditor's Report	6-7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flow	10
Statement of Changes in Owners' Equity	11
Notes to the Financial Statements	12-20

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

CORPORATE INFORMATION

	Name	Nationality
Directors:	1. Aliasgar Hatimali Ezzi	Tanzanian
	2. Yusuf Hatimali Ezzi	Tanzanian
	3. Mansoor Moiz Hussein Kadirbhai	Tanzanian

Registered Office: Plot No. 161/1/1
Kurasini, Ware House B
P. O. Box 2562,
Dar Es Salaam,
Tanzania.
Tel: 2863835 / 2863830

TIN: 101-049-566

VRN: 10-014521-G

Principal Banker: NBC Ltd
Kichwele Branch
P. O. Box 9044,
Dar Es Salaam,
Tanzania.

Auditors: **PAN & ASSOCIATES**
Certified Public Accountants in Public Practice
2nd Floor, NHC Biashara Complex
Mwinyijuma Road, Mwananyamala
P. O. Box 79822, Dar es Salaam
Tel: 0786 84 59 20
Email: pan_associates@yahoo.co.uk

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2021

The directors are required in terms of the Companies Act of 2002 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 period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2002, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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.

DIRECTOR: _____



DATE: _____

21/12/2021

DIRECTORS' REPORT

1. INTRODUCTION

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 30th June 2021, which disclose the state of affairs of the company.

2. PRINCIPAL ACTIVITY

The Principal activity of the company remains that of manufacturing and selling of wires and cables. The Company is registered with the Tanzania Investment Center under the manufacturing category.

3. STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Companies Act, 2002, 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 results and cash flows for that year.

The Board of directors is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the International Financial Reporting Standards (IFRS) and the Companies Act, 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors confirm that suitable accounting policies 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 30th June 2021. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4. DIRECTORS

The Directors of the Company who held office during the year ended include:

Name	Nationality
1. Yusuf Hatimali Ezzi	Tanzanian
2. Aliasger Hatimali Ezzi	Tanzanian
3. Mansoormoiz Hussein Kadirbhai	Tanzanian

DIRECTORS' REPORT

5. RESULTS AND SOLVENCY

The results for the period, the appropriation thereof and the state of affairs of the Company are set out on page 8 - 11.


6. DIVIDENDS

The Directors do not recommend the payment of dividends for the year.

7. AUDITORS

The Directors have appointed PAN & ASSOCIATES, a firm of Certified Public Accountants in Public Practice as auditors of the Company for this financial year.

BY ORDER OF THE BOARD



DIRECTOR

21 / 12 / 2021

DATE


DECLARATION OF THE HEAD OF ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, Rajab Gwota, being the Head of Finance /Accounting of Kilimanjaro Cables (T) Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 8 to 20 for the year 30th June 2021 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Kilimanjaro Cables (T) Limited as on that date and they have been prepared based on properly maintained financial records.

Signed by: 

Date: 21-12-2021

Position: Head of Finance / Accounting

NBAA Membership No.: **ACPA-1759**

To the Directors of KILIMANJARO CABLES (T) LIMITED
Report on the Audit of Financial Statements

1. OPINION

We have audited the financial statements of Kilimanjaro Cables (T) Limited which comprise of the statement of financial position as at 30th June 2021 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 30th June 2021 and of its financial performance and cash flows for the year ended 30th June 2021, and that they comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs).

2. BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in paragraph 5 of this report.

We are independent of the Entity in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountant's (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. EMPHASIS OF MATTER

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

4. DIRECTORS' RESPONSIBILITIES

As described in the statement of director's responsibilities, the Directors are responsible for the preparation of the financial statements.

5. AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and our responsibility is to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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 decision of users, taken on the basis of these financial statements.

For: PAN & ASSOCIATES

Certified Public Accountants in Public Practice



Peter A. Njau
Managing Director
(ACPA 1137)

Date : *22nd DECEMBER 2021*


Place : Dar es Salaam

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2021


	NOTES	2021 Tzs	2020 Tzs
Revenue	2	101,348,618,777	104,568,186,077
Cost of sales	17	<u>(93,090,706,071)</u>	<u>(100,007,437,894)</u>
Gross profit		8,257,912,706	4,560,748,183
Administrative expenses	15	(3,161,179,369)	(2,181,431,495)
Other operating expenses	16	<u>(1,139,116,017)</u>	<u>(854,954,553)</u>
Profit / (Loss) before tax	4	3,957,617,321	1,524,362,136
Tax	5	<u>(1,446,125,170)</u>	<u>(493,049,518)</u>
Profit / (Loss) after tax		<u>2,511,492,151</u>	<u>1,031,312,618</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.

The financial statements on pages 8 to 20 were approved by the Directors and were signed on the company's behalf by:



Director: Aliasgar Hatimali Ezzi



Director: Yusuf Hatimali Ezzi

Date: 21/12/2021

Date: 21/12/2021

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	NOTES	2021 Tzs	2020 Tzs
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	3	<u>7,004,397,517</u>	<u>4,384,393,785</u>
CURRENT ASSETS			
Inventories	6	16,632,555,000	4,033,124,077
Receivables and prepayments	7	24,610,557,873	12,566,484,808
Taxation		(9,840,583)	-
Cash and cash equivalents	12	<u>3,417,157,548</u>	<u>4,180,683,198</u>
		<u>44,650,429,838</u>	<u>20,780,292,083</u>
TOTAL ASSETS		<u>51,654,827,356</u>	<u>25,164,685,868</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	8	10,000,000,000	10,000,000,000
Retained earnings	9	<u>1,323,513,326</u>	<u>(1,175,231,345)</u>
		<u>11,323,513,326</u>	<u>8,824,768,655</u>
CURRENT LIABILITIES			
Payable and accruals	10	39,633,093,494	15,947,576,770
Deferred tax liability	11	698,220,531	354,718,940
Taxation			<u>37,621,504</u>
		<u>40,331,314,025</u>	<u>16,339,917,213</u>
TOTAL EQUITY & LIABILITIES		<u>51,654,827,356</u>	<u>25,164,685,868</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2021

	2021 Tzs	2020 Tzs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	3,957,617,321	1,524,362,136
Adjustment for:		
Depreciation	<u>1,195,469,923</u>	<u>811,172,011</u>
Profit before taxation before working capital changes	5,153,087,244	2,335,534,147
Working capital changes:		
Inventories	(12,599,430,923)	5,700,000,000
Receivables and prepayments	(12,044,073,065)	(3,378,361,323)
Payables and accruals	<u>23,685,516,723</u>	<u>2,836,326,709</u>
	4,195,099,980	7,493,499,533
Less: Taxation paid	<u>(1,143,151,974)</u>	<u>(826,418,841)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>3,051,948,006</u>	<u>6,667,080,691</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	<u>(3,815,473,655)</u>	<u>(2,688,890,695)</u>
NET CASH FLOW AFTER INVESTING ACTIVITIES	<u>(3,815,473,655)</u>	<u>(2,688,890,695)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Increase / (Decrease) in Shareholder Capital	<u>-</u>	<u>-</u>
NET CASH FLOW AFTER FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(763,525,650)</u>	<u>3,978,189,997</u>
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance as at 1st January	4,180,683,198	202,493,201
Balance as at 31st December	<u>3,417,157,548</u>	<u>4,180,683,198</u>
	<u>(763,525,650)</u>	<u>3,978,189,997</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2021**

	SHARE CAPITAL Tzs	ACCUMULATED PROFIT / (LOSS) Tzs	TOTAL Tzs
Year ended 30th June 2021			
As at 1st July 2020	10,000,000,000	(1,175,231,345)	8,824,768,655
Prior year tax audit liabilities	-	(12,747,480)	(12,747,480)
Profit / (Loss) for the year	-	2,511,492,151	2,511,492,151
As at 30th June 2021	<u>10,000,000,000</u>	<u>1,323,513,326</u>	<u>11,323,513,326</u>
Year ended 30th June 2020			
As at 1st July 2020	10,000,000,000	(1,845,752,174)	8,154,247,826
Prior year tax audit liabilities	-	(360,791,788)	(360,791,788)
Profit / (Loss) for the year	-	1,031,312,617	1,031,312,617
As at 30th June 2020	<u>10,000,000,000</u>	<u>(1,175,231,345)</u>	<u>8,824,768,655</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

1. COMPLIANCE WITH IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

2. PRINCIPAL ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared in accordance with the historical cost convention.

b) Going Concern

The directors of the Company have expressed their willingness to continue with the transport services business for the foreseeable future.

c) Revenue Recognition

Revenue comprises the invoiced value of goods sold during the year net of Value Added Tax (VAT). Income is recognized when goods are supplied and are accepted by a customer.

d) Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for the cost of realization. Provision is made where necessary for obsolescence, slow moving and defective inventories.

e) Property, Plant and Equipment and Depreciation

These comprises of Machinery, Furniture, Equipment and Motor vehicles. These are stated at their written down values (WDV). Depreciation is calculated on a Straight-line balance method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Machinery, Equipment and Motor Cycles	12.5
Motor Vehicles	25.0
Computers	33.3

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2021**

f) Taxation

Taxation is provided on the basis of the results for the year as shown in the Financial Statements adjusted in accordance with the tax legislation.

Deferred tax is provided, using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantially enacted are used to determine deferred tax.

Deferred tax assets are recognized to the extent that it is probable that future tax profits will be available against which temporary differences can be utilized.

g) Foreign currency transactions

Transactions during the year in foreign currency are converted in to Tanzanian Shillings (Tzs) at the rate of exchange ruling at the transaction dates.

Assets and liabilities at the balance sheet date, which are in foreign currency, are translated into Tzs at the rate of the statement of financial position date. Resulting differences from such conversions are dealt with in the statement of comprehensive income in the year they arise.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2021

3. FIXED ASSETS

	MACHINERY, EQUIPMENT Tzs	LAND AND BUILDINGS Tzs	COMPUTERS Tzs	MOTOR CYCLES Tzs	MOTOR VEHICLES Tzs	TOTAL Tzs
AT COST:						
Balance as at 1st July 2020	6,760,826,272	274,960,053	80,678,439	17,757,545	564,938,618	7,699,160,927
Additions	2,853,244,323	497,800,211	30,209,116	2,228,814	431,991,192	3,815,473,655
Balance as at 30th June 2021	9,614,070,595	772,760,264	110,887,554	19,986,359	996,929,810	11,514,634,582
DEPRECIATION:						
Balance as at 1st July 2020	3,021,562,190	-	50,620,936	17,757,544	224,826,472	3,314,767,142
Charge for the year	1,007,165,579	-	23,912,888	139,301	164,252,156	1,195,469,923
Balance as at 30th June 2021	4,028,727,768	-	74,533,824	17,896,845	389,078,628	4,510,237,065
WRITTEN DOWN VALUE (W.D.V)						
W.D.V. as at 30th June 2021	5,585,342,827	772,760,264	36,353,730.10	2,089,514	607,851,182	7,004,397,517
W.D.V. as at 30th June 2020	3,739,264,083	274,960,053	30,057,502.45	1	340,112,146	4,384,393,785

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2021

	2021 Tzs	2020 Tzs
4. PROFIT BEFORE TAXATION		
This is arrived at after charging:		
Depreciation	1,195,469,923	811,172,007
Directors remuneration	480,000,000	333,000,000
Auditors remuneration	<u>19,364,408</u>	<u>15,000,000</u>
5. TAXATION		
At 30% on the taxable profit for the year	1,102,623,572	477,230,204
Under provision for previous years	-	-
Deferred tax assets (Note 11)	<u>343,501,598</u>	<u>15,819,314</u>
	<u>1,446,125,170</u>	<u>493,049,518</u>
Tax computation up to year 2020 have been agreed with the TRA department.		
6. INVENTORIES		
Raw materials	12,076,425,000	2,925,867,860
Finished goods	<u>4,556,130,000</u>	<u>1,107,256,217</u>
	<u>16,632,555,000</u>	<u>4,033,124,077</u>
7. RECEIVABLES AND PREPAYMENTS		
Trade Debtors	18,739,306,876	11,509,361,979
Value added tax (VAT) Asset	5,864,903,082	-
Prepayments & Other Debtors	6,347,916	2,438,755
Advances paid	<u>-</u>	<u>1,054,684,074</u>
	<u>24,610,557,873</u>	<u>12,566,484,808</u>
8. SHARE CAPITAL		
Authorized capital:		
20,000,000 shares at Tzs. 500/= each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued and fully paid up capital:		
20,000,000 shares at Tzs. 500/= each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
9. RETAINED EARNINGS		
Balance as at 1st July	(1,175,231,345)	(1,845,752,174)
Prior year tax audit liabilities	(12,747,480)	(360,791,788)
Profit \ (Loss) for the period	<u>2,511,492,151</u>	<u>1,031,312,617</u>
Balance as at 30th June	<u>1,323,513,326</u>	<u>(1,175,231,345)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2021

	2021 Tzs	2020 Tzs
10. PAYABLES AND ACCRUALS		
Value added tax (VAT) Payable	-	564,228,146.46
Other Tax Payables	-	115,285,161.00
Trade creditors	39,563,398,829	15,198,511,424
Accruals	69,694,666	69,552,038
	<u>39,633,093,495</u>	<u>15,947,576,770</u>

11. DEFERRED TAX

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st July	(354,718,933)	(338,899,619)
Income statement (credit) (Note 4)	<u>(343,501,598)</u>	<u>(15,819,314)</u>
Balance as at 30th June	<u>(698,220,531)</u>	<u>(354,718,933)</u>

Deferred tax assets and liabilities and deferred tax charge attributable due to difference in capital allowance rates.

12. CASH AND CASH EQUIVALENTS

This comprises of :

Cash in hand	12,016,335	62,386,054
Cash at bank	<u>3,405,141,207</u>	<u>4,118,297,144</u>
	<u>3,417,157,542</u>	<u>4,180,683,198</u>

13. CURRENCY

The financial statements are presented in Tanzania shilling currency, rounded to the nearest shilling.

14. LEGAL STATUS

The company is a limited liability company incorporated in Tanzania under the Companies Act 2002.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2021

	2021 Tzs	2020 Tzs
15. ADMINISTRATIVE EXPENSES		
EMPLOYMENT		
NSSF contribution	219,556,841	80,765,133
Skill and development levy	87,877,954	49,124,310
Salary and wages- Admin	143,871,079	189,960,000
Staff medical	32,883,138	39,236,987
Staff welfare	-	7,536,291
Work Permit	26,128,524	-
Workers Compensation fund	21,969,488	10,916,513
	<u>532,287,025</u>	<u>377,539,234</u>
ADMINISTRATION		
Accountancy and audit fees	19,364,408	15,000,000
Advertisement	24,432,141	24,502,932
Bank charges	796,282,118	467,455,201
Canteen Expenses	33,315,510	-
Cleaning expenses	15,554,308	4,214,373
Contributions and Donations	20,000	33,453,000
Director fees	480,000,000	333,000,000
Entertainment	336,000	-
Exchange loss	603,635,966	555,337,358
Fire and Rescue	6,915,000	4,180,000
Inspection fees	3,759,600	2,580,700
Motor vehicle running expenses	308,606,143	123,385,985
Office General Expenses	5,304,988	22,905
Penalty & fines	270,000	150,000
Printing and stationery	32,803,835	22,848,749
Secretarial Fees	2,524,500	2,000,000
Security Charges	25,043,831	24,020,000
Stamp Duty	3,190,160	1,680,960
Telephone and postage	49,144,215	45,100,424
Theft	63,000,000	25,370,000
Travelling Expenses	155,389,622	119,589,673
	<u>2,628,892,345</u>	<u>1,803,892,260</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>3,161,179,369</u>	<u>2,181,431,495</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2021

	2021 Tzs	2020 Tzs
16. OTHER OPERATING EXPENSES		
ESTABLISHMENT		
Depreciation on others	23,912,888	14,316,950
Other Motor Vehicle expenses (Parking Fees)	75,770	25,132
Insurance premium	5,109,544	27,729,981
Electricity and water	41,743,693	27,623,900
Licenses and subscriptions	25,899,398	15,992,000
City service levy	304,053,582	313,704,558
Repairs and maintenance	496,066,107	192,892,688
Rent	242,255,034	262,669,344
	<hr/>	<hr/>
TOTAL OTHER OPERATING EXPENSES	1,139,116,017	854,954,553
	<hr/>	<hr/>
17. COST OF SALES		
MANUFACTURING ACCOUNT		
Opening stock of raw materials	2,925,867,860	7,925,867,860
Purchases of raw materials	101,395,986,234	91,986,744,316
Less: Closing stock of raw materials	(12,076,425,000)	(2,925,867,860)
	<hr/>	<hr/>
COST OF RAW MATERIALS USED	92,245,429,094	96,986,744,316
	<hr/>	<hr/>
ADD: DIRECT COST		
Depreciation on machinery and tools	1,171,557,035	796,855,061
Electricity	771,602,514	801,440,825
Generator running	30,078,377	9,706,994
Machine running expenses	232,267,606	113,760,500
Salaries and wages	1,572,652,307	568,691,333
EFD Machine	-	1,301,864
Clearing Charges	-	12,650,000
Transport, Loading & Off-loading Charges	515,992,920	16,287,000
	<hr/>	<hr/>
COST OF GOODS MANUFACTURED	96,539,579,854	99,307,437,894
	<hr/>	<hr/>
Add : Opening stock of manufactured goods	1,107,256,217	1,807,256,217
Less: Closing stock of manufactured goods	(4,556,130,000)	(1,107,256,217)
	<hr/>	<hr/>
COST OF SALES	93,090,706,071	100,007,437,894
	<hr/>	<hr/>

**INCOME TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2021
TIN No: 101-049-566**

	2021 Tzs	2020 Tzs
Profit as per the accounts	3,957,617,321	1,524,362,135
Add back:		
Contributions and Donations	20,000	33,453,000
Depreciation	1,195,469,923	811,172,011
Unrealized exchange loss	311,810,653	85,533,253
Penalty	270,000	150,000
Staff Welfare	-	-
50% Entertainment	168,000	-
	<u>5,465,355,897</u>	<u>2,454,670,399</u>
Less: Depreciation allowance	<u>(1,789,943,990)</u>	<u>(863,903,052)</u>
Profit / (Loss) for the year	<u>3,675,411,907</u>	<u>1,590,767,347</u>
Corporation tax 30%	1,102,623,572	477,230,204
Less: Tax paid		
Provisional tax	420,000,000	270,000,000
Withholding tax	<u>672,782,990</u>	<u>169,608,700</u>
Tax payable	<u>9,840,583</u>	<u>37,621,504</u>

CALCULATION OF DEPRECIATION ALLOWANCE (FOR CLASS 1, 2 AND 3 OF DEPRECIABLE ASSET)

	Class 1 37.5%	Class 2 25%	Class 3 12.5%	Total
W.D.V. 1st July 2020	23,784,588	331,270,458	2,846,942,298	3,201,997,344
Addition	<u>30,209,116</u>	<u>434,220,006</u>	<u>2,853,244,323</u>	<u>3,317,673,444</u>
	53,993,704	765,490,464	5,700,186,621	6,519,670,788
Depreciation Allowance	(20,247,639)	(191,372,616)	(283,132,806)	(494,753,061)
Initial Allowance prior year	-	-	(581,879,848)	(581,879,848)
Initial Allowance Current year	<u>-</u>	<u>-</u>	<u>(713,311,081)</u>	<u>(713,311,081)</u>
W.D.V. 30th June 2021	<u>33,746,065</u>	<u>574,117,848</u>	<u>4,121,862,886</u>	<u>4,729,726,799</u>

**DEFERRED TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2021**

	2021 Tzs	2020 Tzs
Net book value as per accounts	7,004,397,517	4,384,393,784
Tax written down value	<u>4,729,726,799</u>	<u>3,201,997,345</u>
Accelerated Capital Allowances	2,274,670,719	1,182,396,439
Tax Loss	<u>-</u>	<u>-</u>
Total	<u>2,274,670,719</u>	<u>1,182,396,439</u>
Deferred tax @ 30% Accelerated Capital Allowances	682,401,216	354,718,932
Tax Loss	<u>-</u>	<u>-</u>
Total deferred tax	<u>682,401,216</u>	<u>354,718,932</u>
Opening deferred tax	338,899,618	338,899,618
Movement on deferred tax account	<u>343,501,598</u>	<u>15,819,314</u>
Deferred tax asset in respect of tax loss c/fwd		
Tax loss as at 30th June	-	-
Credit to deferred tax account @ 30%	-	-
Net credit to Deferred tax assets a/c	<u>343,501,598</u>	<u>15,819,314</u>

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2022**

KILIMANJARO CABLES (T) LIMITED

P. O. BOX 2562

DAR ES SALAAM

PAN & ASSOCIATES,
2nd Floor, NHC Biashara Complex,
Mwinyijuma Road, Mwananyamala,
P. O. BOX 79822,
Dar Es Salaam.
Tel: 0786 845 920
+255 22 272 6421
Email: pan_associates@yahoo.co.uk

*** Auditors* Tax Consultants* Secretarial Services***

DECEMBER 2022

KILIMANJARO CABLES (T) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

CONTENTS	PAGE NO.
Corporate Information	1
Statement of Directors' Responsibilities	2
Directors' Report	3-4
Declaration of the Head of Accounting	5
Independent Auditor's Report	6-7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flow	10
Statement of Changes in Owners' Equity	11
Notes to the Financial Statements	12-20

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022****CORPORATE INFORMATION**

	Name	Nationality
Directors:	1. Aliasgar Hatimali Ezzi	Tanzanian
	2. Yusuf Hatimali Ezzi	Tanzanian
	3. Mansoormoiz Hussein Kadirbhai	Tanzanian

Registered Office: Plot No. 161/1/1
Kurasini, Ware House B
P. O. Box 2562,
Dar Es Salaam,
Tanzania.
Tel: 2863835 / 2863830

TIN: 101-049-566

VRN: 10-014521-G

Principal Banker: NBC Ltd
Kichwele Branch
P. O. Box 9044,
Dar Es Salaam,
Tanzania.

Auditors: **PAN & ASSOCIATES**
Certified Public Accountants in Public Practice
2nd Floor, NHC Biashara Complex
Mwinyijuma Road, Mwananyamala
P. O. Box 79822, Dar es Salaam
Tel: 0786 84 59 20
Email: pan_associates@yahoo.co.uk

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

The directors are required in terms of the Companies Act of 2002 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 period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the requirements of the Companies Act of 2002. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of 2002, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments 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 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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.

DIRECTOR: _____



DATE: _____

16/12/2022

DIRECTORS' REPORT

1. INTRODUCTION

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 30th June 2022, which disclose the state of affairs of the company.

2. PRINCIPAL ACTIVITY

The Principal activity of the company remains that of manufacturing and selling of wires and cables. The Company is registered with the Tanzania Investment Center under the manufacturing category.

3. STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Companies Act, 2002, 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 results and cash flows for that year.

The Board of directors is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the International Financial Reporting Standards (IFRS) and the Companies Act, 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors confirm that suitable accounting policies 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 30th June 2022. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

4. DIRECTORS

The Directors of the Company who held office during the year ended include:

Name	Nationality
1. Yusuf Hatimali Ezzi	Tanzanian
2. Aliasger Hatimali Ezzi	Tanzanian
3. Mansoor Moiz Hussein Kadirbhai	Tanzanian

DIRECTORS' REPORT

5. RESULTS AND SOLVENCY

The results for the period, the appropriation thereof and the state of affairs of the Company are set out on page 8 - 11.

6. DIVIDENDS

The Directors do not recommend the payment of dividends for the year.

7. AUDITORS

The Directors have appointed PAN & ASSOCIATES, a firm of Certified Public Accountants in Public Practice as auditors of the Company for this financial year.

BY ORDER OF THE BOARD



DIRECTOR

16/12/2022

DATE


DECLARATION OF THE HEAD OF ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, Rajab Gwota, being the Head of Finance /Accounting of Kilimanjaro Cables (T) Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 8 to 20 for the year 30th June 2022 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Kilimanjaro Cables (T) Limited as on that date and they have been prepared based on properly maintained financial records.

Signed by: 

Date: 16/12/2022

Position: Head of Finance / Accounting

NBAA Membership No.: **ACPA-1759**



**To the Directors of KILIMANJARO CABLES (T) LIMITED
Report on the Audit of Financial Statements**

1. OPINION

We have audited the financial statements of Kilimanjaro Cables (T) Limited which comprise of the statement of financial position as at 30th June 2022 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at 30th June 2022 and of its financial performance and cash flows for the year ended 30th June 2022, and that they comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs).

2. BASIS OF OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in paragraph 5 of this report.

We are independent of the Entity in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountant's (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. EMPHASIS OF MATTER

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

4. DIRECTORS' RESPONSIBILITIES

As described in the statement of director's responsibilities, the Directors are responsible for the preparation of the financial statements.

5. AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and our responsibility is to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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 decision of users, taken on the basis of these financial statements.

For: **PAN & ASSOCIATES**

Certified Public Accountants in Public Practice



Peter A. Njau
Managing Director
(ACPA 1137)

Date : 17/12/2022

Place : Dar es Salaam



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2022

	NOTES	2022 Tzs	2021 Tzs
Revenue	2	103,032,346,627	101,348,618,777
Cost of sales	17	<u>(93,088,667,402)</u>	<u>(93,090,706,071)</u>
Gross profit		9,943,679,225	8,257,912,706
Administrative expenses	15	(3,773,720,479)	(3,161,179,369)
Other operating expenses	16	<u>(1,305,170,723)</u>	<u>(1,139,116,017)</u>
Profit / (Loss) before tax	4	4,864,788,023	3,957,617,321
Tax	5	<u>(2,243,919,570)</u>	<u>(1,446,125,170)</u>
Profit / (Loss) after tax		<u>2,620,868,453</u>	<u>2,511,492,151</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.

The financial statements on pages 8 to 20 were approved by the Directors and were signed on the company's behalf by:



Director: Aliasgar Hatimali Ezzi



Director: Yusuf Hatimali Ezzi

Date: 16/12/2022

Date: 16/12/2022

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2022

	NOTES	2022 Tzs	2021 Tzs
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	3	<u>9,971,692,810</u>	<u>7,004,397,517</u>
CURRENT ASSETS			
Inventories	6	15,443,941,337	16,632,555,000
Receivables and prepayments	7	21,040,506,727	24,610,557,872
Taxation		(6,486,347)	(9,840,583)
Cash and cash equivalents	12	<u>3,459,307,663</u>	<u>3,417,157,548</u>
		<u>39,937,269,380</u>	<u>44,650,429,837</u>
TOTAL ASSETS		<u>49,908,962,190</u>	<u>51,654,827,356</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	8	10,000,000,000	10,000,000,000
Retained earnings	9	<u>2,761,587,240</u>	<u>1,323,513,334</u>
		<u>12,761,587,240</u>	<u>11,323,513,334</u>
CURRENT LIABILITIES			
Payable and accruals	10	35,538,039,175	39,633,093,494
Deferred tax liability	11	<u>1,609,335,775</u>	<u>698,220,531</u>
		<u>37,147,374,951</u>	<u>40,331,314,025</u>
TOTAL EQUITY & LIABILITIES		<u>49,908,962,190</u>	<u>51,654,827,356</u>

The Notes on Pages 12 to 20 form part of these financial statements.
The Auditors' Report is on Pages 6 - 7.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 Tzs	2021 Tzs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	4,864,788,023	3,957,617,321
Adjustment for:		
Depreciation	1,059,040,987	1,195,469,923
Profit before taxation before working capital changes	<u>5,923,829,010</u>	<u>5,153,087,244</u>
Working capital changes:		
Inventories	1,188,613,663	(12,599,430,923)
Receivables and prepayments	3,570,051,145	(12,044,073,065)
Payables and accruals	(4,095,054,319)	23,685,516,723
	<u>6,587,439,500</u>	<u>4,195,099,982</u>
Less: Taxation paid	<u>(2,518,953,100)</u>	<u>(1,143,151,974)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>4,068,486,399</u>	<u>3,051,948,006</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	<u>(4,026,336,280)</u>	<u>(3,815,473,655)</u>
NET CASH FLOW AFTER INVESTING ACTIVITIES	<u>(4,026,336,280)</u>	<u>(3,815,473,655)</u>
CASH FLOW FROM FINANCING ACTIVITY		
Increase / (Decrease) in Shareholder Capital	<u>-</u>	<u>-</u>
NET CASH FLOW AFTER FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>42,150,119</u>	<u>(763,525,650)</u>
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance as at 1st July	3,417,157,548	4,180,683,198
Balance as at 30th June	<u>3,459,307,663</u>	<u>3,417,157,548</u>
	<u>42,150,119</u>	<u>(763,525,650)</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2022

	SHARE CAPITAL Tzs	ACCUMULATED PROFIT / (LOSS) Tzs	TOTAL Tzs
Year ended 30th June 2022			
As at 1st July 2021	10,000,000,000	1,323,513,326	11,323,513,326
Prior year tax audit liabilities	-	(1,182,794,539)	(1,182,794,539)
Profit / (Loss) for the year	-	2,620,868,453	2,620,868,453
As at 30th June 2022	<u>10,000,000,000</u>	<u>2,761,587,240</u>	<u>12,761,587,240</u>
Year ended 30th June 2021			
As at 1st July 2020	10,000,000,000	(1,175,231,345)	8,824,768,655
Prior year tax audit liabilities	-	(12,747,480)	(12,747,480)
Profit / (Loss) for the year	-	2,511,492,151	2,511,492,151
As at 30th June 2021	<u>10,000,000,000</u>	<u>1,323,513,326</u>	<u>11,323,513,326</u>

The Notes on Pages 12 to 20 form part of these financial statements.

The Auditors' Report is on Pages 6 - 7.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022**

1. COMPLIANCE WITH IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

2. PRINCIPAL ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared in accordance with the historical cost convention.

b) Going Concern

The directors of the Company have expressed their willingness to continue with the cable manufacturing business for the foreseeable future.

c) Revenue Recognition

Revenue comprises the invoiced value of goods sold during the year net of Value Added Tax (VAT). Income is recognized when goods are supplied and accepted by a customer.

d) Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the price at which inventories can be sold in the normal course of business after allowing for the cost of realization. Provision is made where necessary for obsolescence, slow-moving and defective inventories.

e) Property, Plant and Equipment and Depreciation

These comprise of Machinery, Furniture, Equipment and Motor vehicles. These are stated at their written down values (WDV). Depreciation is calculated on a Straight-line balance method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Machinery, Equipment and Motor Cycles	12.5
Motor Vehicles	25.0
Computers	37.5

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022**

f) Taxation

Taxation is provided on the basis of the results for the year as shown in the Financial Statements adjusted in accordance with the tax legislation.

Deferred tax is provided, using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax rates enacted or substantially enacted are used to determine deferred tax.

Deferred tax assets are recognized to the extent that it is probable that future tax profits will be available against which temporary differences can be utilized.

g) Foreign currency transactions

Transactions during the year in foreign currency are converted into Tanzanian Shillings (Tzs) at the rate of exchange ruling at the transaction dates.

Assets and liabilities at the balance sheet date, which are in foreign currency, are translated into Tzs at the rate of the statement of financial position date. Resulting differences from such conversions are dealt with in the statement of comprehensive income in the year they arise.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2022

3. FIXED ASSETS

	MACHINERY, EQUIPMENT	LAND AND BUILDINGS	COMPUTERS	MOTOR CYCLES	MOTOR VEHICLES	TOTAL
	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs
AT COST:						
Balance as at 1st July 2021	9,614,070,595	772,760,264	110,887,554	19,986,359	996,929,810	11,514,634,582
Additions	2,087,920,202	765,803,882	6,090,000	-	1,166,522,196	4,026,336,280
Balance as at 30th June 2022	11,701,990,797	1,538,564,146	116,977,554	19,986,359	2,163,452,006	15,540,970,862
DEPRECIATION:						
Balance as at 1st July 2021	4,028,727,768	-	74,533,824	17,896,845	389,078,628	4,510,237,065
Charge for the year	735,071,301	-	15,916,398	522,378	307,530,910	1,059,040,987
Balance as at 30th June 2022	4,763,799,069	-	90,450,222	18,419,223	696,609,538	5,569,278,052
WRITTEN DOWN VALUE (W.D.V)						
W.D.V. as at 30th June 2022	6,938,191,728	1,538,564,146	26,527,331.59	1,567,136	1,466,842,469	9,971,692,810
W.D.V. as at 30th June 2021	5,585,342,827	772,760,264	36,353,730.00	2,089,514	607,851,182	7,004,397,517

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 Tzs	2021 Tzs
4. PROFIT BEFORE TAXATION		
This is arrived at after charging:		
Depreciation	1,059,040,987	1,195,469,923
Directors remuneration	600,000,000	480,000,000
Auditors remuneration	21,229,268	19,364,408
	<u>1,680,270,255</u>	<u>1,784,834,331</u>
5. TAXATION		
At 30% on the taxable profit for the year	1,332,804,326	1,102,623,572
Deferred tax assets (Note 11)	911,115,244	343,501,598
	<u>2,243,919,570</u>	<u>1,446,125,170</u>
Tax computation up to year 2021 have been agreed with the TRA department.		
6. INVENTORIES		
Raw materials	11,268,926,000	12,076,425,000
Finished goods	4,175,015,337	4,556,130,000
	<u>15,443,941,337</u>	<u>16,632,555,000</u>
7. RECEIVABLES AND PREPAYMENTS		
Trade Debtors	18,055,090,809	18,739,306,876
Value added tax (VAT) Asset	2,978,279,774	5,864,903,082
Prepayments & Other Debtors	7,136,144	6,347,916
	<u>21,040,506,727</u>	<u>24,610,557,873</u>
8. SHARE CAPITAL		
Authorized capital:		
20,000,000 shares at Tzs. 500/= each	10,000,000,000	10,000,000,000
Issued and fully paid up capital:		
20,000,000 shares at Tzs. 500/= each	10,000,000,000	10,000,000,000
9. RETAINED EARNINGS		
Balance as at 1st July	1,323,513,326	(1,175,231,345)
Prior year tax audit liabilities	(1,182,794,539)	(12,747,480)
Profit \ (Loss) for the period	2,620,868,453	2,511,492,151
	<u>2,761,587,240</u>	<u>1,323,513,326</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 Tzs	2021 Tzs
10. PAYABLES AND ACCRUALS		
Trade creditors	35,421,589,453	39,563,398,829
Accruals	116,449,722	69,694,666
	<u>35,538,039,175</u>	<u>39,633,093,495</u>

11. DEFERRED TAX

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st July	(698,220,531)	(354,718,933)
Income statement (credit) (Note 5)	(911,115,244)	(343,501,598)
Balance as at 30th June	<u>(1,609,335,775)</u>	<u>(698,220,531)</u>

Deferred tax assets and liabilities and deferred tax charge attributable due to difference in capital allowance rates.

12. CASH AND CASH EQUIVALENTS

This comprises of :

Cash in hand	37,834,272	12,016,335
Cash at bank	3,421,473,391	3,405,141,207
	<u>3,459,307,663</u>	<u>3,417,157,542</u>

13. CURRENCY

The financial statements are presented in Tanzania shilling currency, rounded to the nearest shilling.

14. LEGAL STATUS

The company is a limited liability company incorporated in Tanzania under the Companies Act 2002.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 Tzs	2021 Tzs
15. ADMINISTRATIVE EXPENSES		
EMPLOYMENT		
NSSF contribution	354,349,299	219,556,841
Skill and development levy	141,739,719	87,877,954
Salary and wages- Admin	383,081,827	143,871,079
Staff medical	33,855,932	32,883,138
Work Permit	32,287,450	26,128,524
Workers Compensation fund	21,260,957	21,969,488
	<u>966,575,184</u>	<u>532,287,025</u>
ADMINISTRATION		
Accountancy and audit fees	21,229,268	19,364,408
Advertisement	16,675,299	24,432,141
Bank charges	485,868,357	796,282,118
Canteen Expenses	77,988,326	33,315,510
Cleaning expenses	15,172,085	15,554,308
Contributions and Donations	62,285,200	20,000
Director fees	600,000,000	480,000,000
Entertainment	354,136	336,000
Exchange loss	738,008,773	603,635,966
Fire and Rescue	3,652,000	6,915,000
Inspection fees	-	3,759,600
Motor vehicle running expenses	488,869,791	308,606,143
Office General Expenses	12,179,554	5,304,988
Penalty & fines	292,500	270,000
Printing and stationery	32,999,184	32,803,835
Secretarial Fees	708,712	2,524,500
Security Charges	720,000	25,043,831
Stamp Duty	1,451,660	3,190,160
Telephone and postage	50,366,941	49,144,215
Theft	-	63,000,000
Travelling Expenses	198,323,510	155,389,622
	<u>2,807,145,296</u>	<u>2,628,892,345</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>3,773,720,479</u>	<u>3,161,179,369</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 2022

	2022 Tzs	2021 Tzs
16. OTHER OPERATING EXPENSES		
ESTABLISHMENT		
Depreciation on others	15,916,398	23,912,888
Other Motor Vehicle expenses (Parking Fees)	406,962	75,770
Insurance premium	39,598,896	5,109,544
Electricity and water	52,362,150	41,743,693
Licenses and subscriptions	10,783,500	25,899,398
City service levy	309,097,040	304,053,582
Repairs and maintenance	576,555,503	496,066,107
Rent	300,450,274	242,255,034
	<u>1,305,170,723</u>	<u>1,139,116,017</u>
TOTAL OTHER OPERATING EXPENSES		
17. COST OF SALES		
MANUFACTURING ACCOUNT		
Opening stock of raw materials	12,076,425,000	2,925,867,860
Purchases of raw materials	86,523,870,406	101,395,986,234
Less: Closing stock of raw materials	(11,268,926,000)	(12,076,425,000)
	<u>87,331,369,406</u>	<u>92,245,429,094</u>
COST OF RAW MATERIALS USED		
ADD: DIRECT COST		
Depreciation on machinery and tools	1,043,124,589	1,171,557,035
Electricity	901,613,093	771,602,514
Generator running	83,259,008	30,078,377
Machine running expenses	212,194,789	232,267,606
Salaries and wages	2,560,411,163	1,572,652,307
Transport, Loading & Off-loading Charges	575,580,690	515,992,920
	<u>92,707,552,739</u>	<u>96,539,579,854</u>
COST OF GOODS MANUFACTURED		
Add : Opening stock of manufactured goods	4,556,130,000	1,107,256,217
Less: Closing stock of manufactured goods	(4,175,015,337)	(4,556,130,000)
	<u>93,088,667,402</u>	<u>93,090,706,071</u>
COST OF SALES		

**INCOME TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2022
TIN No: 101-049-566**

	2022 Tzs	2021 Tzs
Profit as per the accounts	4,864,788,023	3,957,617,321
Add back:		
Contributions and Donations	62,285,200	20,000
Depreciation	1,059,040,987	1,195,469,923
Unrealized exchange loss	656,719,836	311,810,653
Penalty	292,500	270,000
50% Entertainment	177,068	168,000
	<u>6,643,303,614</u>	<u>5,465,355,897</u>
Less: Depreciation allowance	<u>(2,200,622,528)</u>	<u>(1,789,943,990)</u>
Profit / (Loss) for the year	<u>4,442,681,086</u>	<u>3,675,411,907</u>
Corporation tax 30%	1,332,804,326	1,102,623,572
Less: Tax paid		
Provisional tax	530,000,000	420,000,000
Withholding tax	796,317,979	672,782,990
	<u>6,486,347</u>	<u>9,840,582</u>
Tax payable	<u>6,486,347</u>	<u>9,840,582</u>

CALCULATION OF DEPRECIATION ALLOWANCE (FOR CLASS 1, 2 AND 3 OF DEPRECIABLE ASSET)

	Class 1 37.5%	Class 2 25%	Class 3 12.5%	Total
W.D.V. 1st July 2021	33,746,065	574,117,848	4,121,862,886	4,729,726,799
Addition	<u>6,090,000</u>	<u>1,166,522,196</u>	<u>2,087,920,202</u>	<u>3,260,532,398</u>
	39,836,065	1,740,640,044	6,209,783,088	7,990,259,197
Depreciation Allowance	(14,938,524)	(435,160,011)	(515,232,861)	(965,331,396)
Initial Allowance prior year	-	-	(713,311,081)	(713,311,081)
Initial Allowance Current year	<u>-</u>	<u>-</u>	<u>(521,980,051)</u>	<u>(521,980,051)</u>
W.D.V. 30th June 2022	<u>24,897,541</u>	<u>1,305,480,033</u>	<u>4,459,259,096</u>	<u>5,789,636,670</u>

**DEFERRED TAX COMPUTATION
FOR THE YEAR ENDED 30TH JUNE 2022**

	2022	2021
	Tzs	Tzs
Net book value as per accounts	9,971,692,810	7,004,397,517
Tax written down value	<u>5,789,636,670</u>	<u>4,729,726,799</u>
Accelerated Capital Allowances	4,182,056,140	2,274,670,719
Tax Loss	<u>-</u>	<u>-</u>
Total	<u>4,182,056,140</u>	<u>2,274,670,719</u>
Deferred tax @ 30%		
Accelerated Capital Allowances	1,254,616,842	682,401,216
Tax Loss	<u>-</u>	<u>-</u>
Total deferred tax	<u>1,254,616,842</u>	<u>682,401,216</u>
Opening deferred tax	343,501,598	338,899,618
Movement on deferred tax account	<u>911,115,244</u>	<u>343,501,598</u>
Deferred tax asset in respect of tax loss c/fwd		
Tax loss as at 30th June	-	-
Credit to deferred tax account @ 30%	-	-
Net credit to Deferred tax assets a/c	<u>911,115,244</u>	<u>343,501,598</u>