



**VICTORY AUDITORS & BUSINESS CONSULTANTS**  
Certified Public Accountants in Public Practice

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## 8.0. FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021

### INDEPENDENT AUDITOR'S REPORT

#### **Opinion**

We have audited the accompanying financial statements of **Magare Company Limited** which comprise the statement of financial position as at **31<sup>st</sup> December 2021** and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements does give a true and fair view of the financial position of **Magare Company Limited** as at **31<sup>st</sup> December 2021** and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards(IFRS) and the requirements of the Companies Act 2002.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 3 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

	2020 TSHS	2019 TSHS
<b>Note 22</b>		
<b>FINANCIAL INFORMATION OF THE COMPANY</b>		
Total asset	1,714,375,185.33	1,701,813,156.23
Total liabilities	<u>(359,685,745.29)</u>	<u>(748,733,990.00)</u>
<b>Total assets &amp; liabilities</b>	<b><u>1,354,689,440.04</u></b>	<b><u>953,079,166.23</u></b>
<b>CAPITAL AND RESERVES</b>		
Operational Capital	538,755,184.38	538,755,184.38
Profit/(Loss) for the year	<u>815,934,255.66</u>	<u>414,323,981.85</u>
<b>Total</b>	<b><u>1,354,689,440.04</u></b>	<b><u>953,079,166.23</u></b>

**MAGARE COMPANY LIMITED**  
**P.O.BOX 6043**  
**MWANZA - TANZANIA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

	2020 TSHS	2019 TSHS
<b>Note 21</b>		
<b>FINANCIAL INSTRUMENTS (IAS 32)</b>		
Categories of financial instruments		
<b><u>Assets</u></b>		
<b><u>Loans and Receivables</u></b>		
Trade receivables	243,208,377.00	17,363,799.85
Cash and cash equivalent	8,400,439.26	122,372,163.57
Fixed deposit investment	400,000,000.00	-
<b><u>Available for sale financial assets</u></b>		
Investment	-	-
<b><u>NON FINANCIAL ASSETS</u></b>		
Property, plant and equipment	844,804,765.95	557,677,500.71
Inventories	217,961,603.11	289,033,143.00
<b>Total Assets</b>	<b><u>1,714,375,185.33</u></b>	<b><u>986,446,607.13</u></b>
<b><u>EQUITY &amp; FINANCIAL LIABILITIES</u></b>		
Financial liabilities at amortized cost		
Trade creditors	12,329,800.43	22,628,012.15
Bank overdraft	241,271,872.75	36,592,100.00
Long term loan	106,084,072.11	
<b><u>EQUITY &amp; NON FINANCIAL LIABILITIES</u></b>		
Operational capital	538,755,184.38	538,755,184.38
Retained earnings the year	815,934,255.66	388,471,310.60
<b>Total equity and financial liabilities</b>	<b><u>1,714,375,185.33</u></b>	<b><u>986,446,607.13</u></b>

**MAGARE COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

**Note 16 CAPITAL COMMITMENTS**  
 There were no future commitments not provided for the financial statements as 31<sup>st</sup> December 2020

**Note 17 CONTINGENT LIABILITIES**  
 There was no any contingent envisaged by business at at 31st December 2020

**Note 18 COMPARATIVE INFORMATION**  
 Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**Note 19 EVENTS AFTER DATE OF STATEMENT OF FINANCIAL POSITION**  
 No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

**Note 20 FINANCIAL ASSET AND LIABILITIES (IAS 39)**  
 Assets and liabilities, and their fair values. The table below sets out classification of each class of financial assets and liabilities and their fair value.

	<b>2020</b>	<b>2019</b>
	<b>Fair Value</b>	<b>Fair Value</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	8,400,439.26	118,978,127.58
Trade & other receivables	<u>243,208,377.00</u>	<u>299,431,503.69</u>
<b>Total Financial Assets</b>	<b>251,608,816.27</b>	<b>418,409,631.27</b>
<b>FINANCIAL LIABILITIES</b>		
Account payables	12,329,800.43	678,141,890.00
Bank overdraft	<u>241,271,872.75</u>	<u>70,592,100.00</u>
<b>Total financial liabilities</b>	<b>253,601,673.18</b>	<b>748,733,990.00</b>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

		<b>2020</b>	<b>2019</b>
		<b>TSHS</b>	<b>TSHS</b>
<b>Note 12</b>	<b>ACCOUNT PAYABLES</b>		
	Trade creditors & accruals	<u>12,329,800.43</u>	<u>678,141,890.00</u>
		<u><b>12,329,800.43</b></u>	<u><b>678,141,890.00</b></u>

**12.10** In the opinion of the director, the carrying amounts of the current portion of trade and other receivables approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the weighted average cost of capital that directors expect to be applicable at the statement of financial position date. No interest is charged on the trade payables.

		<b>2020</b>	<b>2019</b>
<b>Note 13</b>	<b>BANK OVERDRAFT</b>	106,084,072.11	70,592,100.00
<b>Note 14</b>	<b>EMPLOYEES COSTS</b>		
	Administrative cost		
	Salaries and wages	Note 4 <u>383,056,031.68</u>	<u>132,560,870.00</u>
		<u><b>383,056,031.68</b></u>	<u><b>132,560,870.00</b></u>
<b>Note 15</b>	<b>INCOME TAX EXPENSES</b>		
	Current tax	<u>183,198,405.03</u>	<u>101,636,116.29</u>
		<b>183,198,405.03</b>	<b>101,636,116.29</b>

**MAGARE COMPANY LIMITED**  
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**STATEMENT OF COMPRENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2021**

	NOTE	2021 TSHS	2020 TSHS
Contribution revenue	2	10,416,856,781.18	8,795,986,108.52
Cost of contract revenue	3	<u>(8,134,772,756.81)</u>	<u>(6,931,940,704.54)</u>
<b>Gross profit/loss</b>		<b>2,282,084,024.37</b>	<b>1,864,045,403.99</b>
<b>Less: Operational cost</b>			
Administration and establishment expenses	4	893,509,983.53	995,664,547.18
Selling and distribution expenses	5	107,209,992.12	138,016,888.46
Depreciation and amortization expenses	7	<u>161,266,177.92</u>	<u>62,872,734.75</u>
<b>Results from operating activities</b>		<b>1,161,986,153.56</b>	<b>1,196,554,170.39</b>
Less: Finance cost	6	<u>186,434,693.09</u>	<u>56,829,883.50</u>
<b>Profit/(Loss) for the year before tax</b>		<b>933,663,177.72</b>	<b>610,661,350.09</b>
Less: Income tax expenses	15	<u>280,098,953.32</u>	<u>183,198,405.03</u>
<b>Profit/(Loss) for the year after taxation</b>		<b><u>653,564,224.40</u></b>	<b><u>427,462,945.06</u></b>



Director



**MAGARE COMPANY LIMITED**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021**

<b>ASSETS</b>	<b>NOTE</b>	<b>2021 TSH</b>	<b>2020 TSH</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	940,788,816.65	844,804,765.95
Fixed deposit investment		<u>400,000,000.00</u>	<u>400,000,000.00</u>
<b>Total non-current assets</b>		<b>1,340,788,816.65</b>	<b>1,244,804,765.95</b>
<b>CURRENT ASSETS</b>			
Inventories	8	416,674,271.25	217,961,603.11
Account receivables	9	693,853,961.12	243,208,377.00
Cash and cash equivalents	10	<u>109,366,612.98</u>	<u>8,400,439.26</u>
<b>Total current assets</b>		<b>1,219,894,845.35</b>	<b>469,570,419.38</b>
<b>Total assets</b>		<b><u>2,560,683,662.00</u></b>	<b><u>1,714,375,185.33</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Operational capital		538,755,184.38	538,755,184.38
Retained earning		<u>1,469,498,480.06</u>	<u>815,934,255.66</u>
<b>Total equity</b>		<b>2,008,253,664.44</b>	<b>1,354,689,440.04</b>
<b>CURRENT LIABILITIES</b>			
Accounts payables	12		12,329,800.43
Term loan		43,836,459.37	
Bank overdraft		<u>366,120,375.43</u>	<u>241,271,872.75</u>
<b>Total current liabilities</b>		<b>409,956,834.80</b>	<b>253,601,673.18</b>
<b>NON CURRENT LIABILITIES</b>			
Term loan	13	<u>142,473,162.76</u>	<u>106,084,072.11</u>
<b>Total liabilities</b>		<b>552,429,997.56</b>	<b>359,685,745.29</b>
<b>Total equity &amp; liabilities</b>		<b><u>2,560,683,662.00</u></b>	<b><u>1,714,375,185.33</u></b>



Director



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**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 TSHS	2020 TSHS
<b><u>Cash flow from operating activities</u></b>		
1.00 Profit/(Loss) for the year	933,663,177.72	610,661,350.09
Adjustment for depreciation	161,266,177.92	62,872,734.75
	<u>1,094,929,355.64</u>	<u>673,534,084.84</u>
<b><u>Working Capital Changes</u></b>		
(Increase)/Decrease in inventories	(198,712,668.14)	71,071,539.89
(Increase)/Decrease in accounts receivables	(450,645,584.12)	(225,844,577.15)
Increase/(Decrease) in current liabilities	156,355,161.62	194,381,561.03
Taxation	(280,098,953.32)	(183,198,405.03)
<b>Total net working capital changes</b>	<u>(773,102,043.95)</u>	<u>(143,589,881.26)</u>
<b>Net Cash flow generated for operating activities</b>	<u>321,827,311.69</u>	<u>529,944,203.58</u>
<b><u>2.00 Cash flow from investing activities</u></b>		
Purchases of property, plant & equipment	(257,250,228.62)	(350,000,000.00)
Changes in Fixed deposit investment		(400,000,000.00)
<b>Net cash flow used investing activities</b>	<u>(257,250,228.62)</u>	<u>(750,000,000.00)</u>
<b><u>3.00 Cash flow from financing activities</u></b>		
Issued and fully paid share (capital introduced)		
Increase/(Decreases) in term loan	36,389,090.65	106,084,072.11
Increase/(Decreases) in due to related parties		
<b>Net cash flow from financing activities</b>	<u>36,389,090.65</u>	<u>106,084,072.11</u>
Changes in cash and cash equivalents	100,966,173.72	(113,971,724.31)
Cash and cash equivalents at start	8,400,439.26	122,372,163.57
<b>Cash and cash equivalents at close</b>	<u>109,366,612.98</u>	<u>8,400,439.26</u>
<b>Cash and cash equivalents at close</b>	<u>109,366,612.98</u>	<u>8,400,439.26</u>



Director



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

**Note 7**

DETAILS	COST/VALUATION			DEPRECIATION CHARGES			NET BOOK VALUE	
	01.01.21	Addition	Total	01.01.21	31.12.21	Rate	31.12.21	31.12.20
<b>LAND &amp; BUILDING</b>								
Land	450,815,558		450,815,558	-	-		450,815,558	450,815,558
Computers	2,361,328		2,361,328	3,683,672	885,498	37.50%	1,475,830	2,361,328
EQUIPMENTS & MOTORVEHICLES	386,961,252	247,206,078.62	634,167,331	143,976,380	158,541,833	25.00%	475,625,498	386,961,252
Fixture & fittings	4,666,628		4,666,628	2,501,497	583,328	12.50%	4,083,299	4,666,628
Generator	-	10,044,150.00	10,044,150	-	1,255,519	12.50%	8,788,631	-
<b>Total property, plant &amp; equipment</b>	<b>842,443,438</b>	<b>257,250,229</b>	<b>1,099,693,666</b>	<b>146,477,877</b>	<b>161,266,178</b>		<b>940,788,817</b>	<b>842,443,438</b>

**MAGARE COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>TSHS</b>	<b>TSHS</b>
<b>Note 8</b>		
<b>INVENTORIES</b>		
Closing stock	416,674,271.25	217,961,603.11
	<u>416,674,271.25</u>	<u>217,961,603.11</u>
<b>Note 9</b>		
<b>ACCOUNT RECEIVABLES</b>		
Trade debtors	648,853,961.12	243,208,377.00
Staff debtors	45,000,000.00	
	<u>693,853,961.12</u>	<u>243,208,377.00</u>
<b>Note 10</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash at bank	106,866,612.98	8,141,539.26
Cash on hand	2,500,000.00	258,900.00
	<u>109,366,612.98</u>	<u>8,400,439.26</u>



**MAGARE COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

**Note 16 CAPITAL COMMITMENTS**

There were no future commitments not provided for the financial statements as at 31st December 2021

**Note 17 CONTINGENT LIABILITIES**

There was no any contingent envisaged by business at at 31st December 2021

**Note 18 COMPARATIVE INFORMATION**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**Note 19 EVENTS AFTER DATE OF STATEMENT OF FINANCIAL POSITION**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

**Note 20 FINANCIAL ASSET AND LIABILITIES (IAS 39)**

Assets and liabilities, and their fair values. The table below sets out classification of each class of financial assets and liabilities and their fair value.

	<b>2021</b>	<b>2020</b>
	<b>Fair Value</b>	<b>Fair Value</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	109,366,612.98	8,400,439.26
Trade & other receivables	<u>693,853,961.12</u>	<u>243,208,377.00</u>
<b>Total Financial Assets</b>	<b>803,220,574.10</b>	<b>251,608,816.27</b>
<b>FINANCIAL LIABILITIES</b>		
Account payables	-	12,329,800.43
Bank overdraft	<u>366,120,375.43</u>	<u>241,271,872.75</u>
<b>Total financial liabilities</b>	<b>366,120,375.43</b>	<b>253,601,673.18</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 TSHS	2020 TSHS
<b>Note 21</b>		
<b>FINANCIAL INSTRUMENTS (IAS 32)</b>		
Categories of financial instruments		
<b><u>Assets</u></b>		
<b><u>Loans and Receivables</u></b>		
Trade receivables	693,853,961.12	243,208,377.00
Cash and cash equivalent	109,366,612.98	8,400,439.26
Fixed deposit investment	400,000,000.00	400,000,000.00
<b><u>Available for sale financial assets</u></b>		
Investment	-	-
<b><u>NON FINANCIAL ASSETS</u></b>		
Property, plant and equipment	940,788,816.65	844,804,765.95
Inventories	416,674,271.25	217,961,603.11
<b>Total Assets</b>	<b><u>2,560,683,662.00</u></b>	<b><u>1,714,375,185.33</u></b>
<b>EQUITY &amp; FINANCIAL LIABILITIES</b>		
Financial liabilities at amortized cost		
Trade creditors	-	12,329,800.43
Bank overdraft	366,120,375.43	241,271,872.75
Term loan	186,309,622.13	106,084,072.11
<b>EQUITY &amp; NON FINANCIAL LIABILITIES</b>		
Operational capital	538,755,184.38	538,755,184.38
Retained earnings the year	1,469,498,480.06	815,934,255.66
<b>Total equity and financial liabilities</b>	<b><u>2,560,683,662.00</u></b>	<b><u>1,714,375,185.33</u></b>

**MAGARE COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

	2021 TSHS	2020 TSHS
<b>Note 22</b>	<b>FINANCIAL INFORMATION OF THE COMPANY</b>	
	Total asset	1,601,345,776.01
	Total liabilities	(286,304,613.89)
	<b>Total assets &amp; liabilities</b>	<b>1,315,041,162.12</b>
	<b>CAPITAL AND RESERVES</b>	
	Operational Capital	538,755,184.38
	Profit/(Loss) for the year	842,911,722.41
	<b>Total</b>	<b>1,381,666,906.79</b>



**VICTORY AUDITORS & BUSINESS CONSULTANTS**  
Certified Public Accountants in Public Practice

TIN: 108-233-133  
VRN: 40027803Q

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[albert@victoryauditors.co.tz](mailto:albert@victoryauditors.co.tz)

## 8.0. FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022

### INDEPENDENT AUDITOR'S REPORT

#### **Opinion**

We have audited the accompanying financial statements of **Magare Company Limited** which comprise the statement of financial position as at **31<sup>st</sup> December 2022** and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements does give a true and fair view of the financial position of **Magare Company Limited** as at **31<sup>st</sup> December 2022** and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards(IFRS) and the requirements of the Companies Act 2002.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 3 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Conclude on appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained no any material uncertainty exists related to the events or conclusions that may cast significant doubt about the entity's ability to continue as going concern

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**G.P ALBERT (ACPA-PP NO.2582)  
VICTORY AUDITORS (PF. 303)  
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE**



**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM STATEMENT OF COMPREHENSIVE INCOME AS AT 30TH JUNE 2022**

	NOTE	2022 TSHS	2021 TSHS
Contribution revenue	2	3,763,061,869.86	10,416,856,781.18
Cost of contract revenue	3	<u>(2,997,855,853.52)</u>	<u>(8,134,772,756.81)</u>
<b>Gross profit/loss</b>		<b>765,206,016.34</b>	<b>2,282,084,024.37</b>
<b>Less: Operational cost</b>			
Administration and establishment expenses	4	418,311,123.76	893,509,983.53
Selling and distribution expenses	5	45,401,100.00	107,209,992.12
Depreciation and amortization expenses	7	<u>60,534,401.04</u>	<u>161,266,177.92</u>
<b>Results from operating activities</b>		<b>524,246,624.81</b>	<b>1,161,986,153.56</b>
Less: Finance cost	6	<u>8,763,489.95</u>	<u>186,434,693.09</u>
<b>Profit/(Loss) for the year before tax</b>		<b>232,195,901.58</b>	<b>933,663,177.72</b>
Less: Income tax expenses	15	<u>69,658,770.47</u>	<u>280,098,953.32</u>
<b>Profit/(Loss) for the year after taxation</b>		<b><u>162,537,131.11</u></b>	<b><u>653,564,224.40</u></b>



.....  
**Director**



**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022**

<b>ASSETS</b>	<b>NOTE</b>	<b>2022 TSH</b>	<b>2021 TSH</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	880,254,415.61	940,788,816.65
Fixed deposit investment		<u>400,000,000.00</u>	<u>400,000,000.00</u>
<b>Total non-current assets</b>		<b>1,280,254,415.61</b>	<b>1,340,788,816.65</b>
<b>CURRENT ASSETS</b>			
Inventories	8	241,114,820.12	416,674,271.25
Account receivables	9	520,844,169.02	693,853,961.12
Cash and cash equivalents	10	<u>199,872,607.32</u>	<u>109,366,612.98</u>
<b>Total current assets</b>		<b>961,831,596.46</b>	<b>1,219,894,845.35</b>
<b>Total assets</b>		<b><u>2,242,086,012.07</u></b>	<b><u>2,560,683,662.00</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Operational capital		538,755,184.38	538,755,184.38
Retained earning		1,632,035,611.17	1,469,498,480.06
Dividend paid		<u>(400,000,000.00)</u>	<u>-</u>
<b>Total equity</b>		<b>1,770,790,795.55</b>	<b>2,008,253,664.44</b>
<b>CURRENT LIABILITIES</b>			
Accounts payables	12		
Term loan		-	43,836,459.37
Bank overdraft		<u>471,295,216.52</u>	<u>366,120,375.43</u>
<b>Total current liabilities</b>		<b>471,295,216.52</b>	<b>409,956,834.80</b>
<b>NON CURRENT LIABILITIES</b>			
Term loan	13	-	142,473,162.76
<b>Total liabilities</b>		<b>471,295,216.52</b>	<b>552,429,997.56</b>
<b>Total equity &amp; liabilities</b>		<b><u>2,242,086,012.07</u></b>	<b><u>2,560,683,662.00</u></b>



.....  
**Director**



**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM STATEMENT OF CASH FLOW AS AT 30TH JUNE 2022**

	2022 TSHS	2021 TSHS
<b><u>Cash flow from operating activities</u></b>		
1.00 Profit/(Loss) for the year	232,195,901.58	933,663,177.72
Adjustment for depreciation	60,534,401.04	161,266,177.92
	<b>292,730,302.63</b>	<b>1,094,929,355.64</b>
<b><u>Working Capital Changes</u></b>		
(Increase)/Decrease in inventories	175,559,451.13	(198,712,668.14)
(Increase)/Decrease in accounts receivables	173,009,792.10	(450,645,584.12)
Increase/(Decrease) in current liabilities	61,338,381.72	156,355,161.62
Taxation	(69,658,770.47)	(280,098,953.32)
<b>Total net working capital changes</b>	<b>340,248,854.47</b>	<b>(773,102,043.95)</b>
<b>Net Cash flow generated for operating activities</b>	<b>632,979,157.10</b>	<b>321,827,311.69</b>
<b>2.00 <u>Cash flow from investing activities</u></b>		
Purchases of property, plant & equipment	-	(257,250,228.62)
Changes in Fixed deposit investment	-	-
<b>Net cash flow used investing activities</b>	<b>-</b>	<b>(257,250,228.62)</b>
<b>3.00 <u>Cash flow from financing activities</u></b>		
Issued and fully paid share (capital introduced)	-	-
Increase/(Decreases) in term loan	(142,473,162.76)	36,389,090.65
Dividend paid	(400,000,000.00)	-
<b>Net cash flow from financing activities</b>	<b>(542,473,162.76)</b>	<b>36,389,090.65</b>
Changes in cash and cash equivalents	90,505,994.34	100,966,173.72
Cash and cash equivalents at start	109,366,612.98	8,400,439.26
<b>Cash and cash equivalents at close</b>	<b>199,872,607.32</b>	<b>109,366,612.98</b>
<b>Cash and cash equivalents at close</b>	<b>199,872,607.32</b>	<b>109,366,612.98</b>



Director



**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

	2022	2021
<b>Note 2</b>	<b><u>REVENUE</u></b>	
	3,763,061,869.86	10,416,856,781.18
	<b>3,763,061,869.86</b>	<b>10,416,856,781.18</b>
<b>Note 3</b>	<b><u>COST OF SERVICES REVENUE</u></b>	
	Opening inventories	217,961,603.11
	Add: Purchases	8,333,485,424.94
	3,238,970,673.64	8,551,447,028.05
	Less Closing Inventories	416,674,271.25
	<b>2,997,855,853.52</b>	<b>8,134,772,756.81</b>
<b>Note 4</b>	<b><u>ADMINISTRATIVE &amp; ESTABLISHMENT EXP</u></b>	
	Employees cost	574,584,047.53
	Electricity and water	3,596,917.80
	Rent	24,316,200.00
	Motor vehicle license expenses	2,450,000.00
	Motor vehicle running expenses	25,600,000.00
	Postage, telephone charges	2,654,143.20
	Stationery & printing	5,088,240.00
	Auditor remuneration	8,400,000.00
	Advertising and Marketing	84,336,875.00
	Business License	378,750.00
	Contractors Registration Board	5,400,000.00
	Meals	56,343,600.00
	Uniform expenses	4,191,210.00
	Labor charges	9,170,000.00
	Transport expenses	87,000,000.00
	<b>418,311,123.76</b>	<b>893,509,983.53</b>
<b>Note 5</b>	<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>	
	Travelling & accommodation expenses	81,500,000.00
	Motor vehicle running expenses	25,709,992.12
	<b>45,401,100.00</b>	<b>107,209,992.12</b>
<b>Note 6</b>	<b><u>FINANCE COST</u></b>	
	Interest on -long term loan	170,266,893.33
	Bank Charges	16,167,799.76
	<b>8,763,489.95</b>	<b>186,434,693.09</b>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA- TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

**Note 7**

DETAILS	COST/VALUATION		DEPRECIATION CHARGES			NET BOOK VALUE		
	01.01.22	Addition	Total	01.01.22	30.06.22	Rate	30.06.22	31.12.21
<b>LAND &amp; BUILDING</b>								
Land	450,815,558	-	450,815,558	-	-	-	450,815,558	450,815,558
Computers	1,475,830		1,475,830	4,569,170	276,718	37.50%	1,199,112	1,475,830
EQUIPMENTS & MOTORVEHICLES	475,625,498		475,625,498	302,518,213	59,453,187	25.00%	416,172,311	475,625,498
Fixture & fittings	4,083,299		4,083,299	3,084,826	255,206	12.50%	3,828,093	4,083,299
Generator	8,788,631.25		8,788,631	1,255,519	549,289	12.50%	8,239,342	8,788,631
<b>Total property, plant &amp; equipment</b>	<b>940,788,817</b>	<b>-</b>	<b>940,788,817</b>	<b>306,858,557</b>	<b>60,534,401</b>		<b>880,254,416</b>	<b>940,788,817</b>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2021**

	<b>2022</b>	<b>2021</b>
	<b>TSHS</b>	<b>TSHS</b>
<b>Note 8</b>		
<b>INVENTORIES</b>		
Closing stock	<u>241,114,820.12</u>	<u>416,674,271.25</u>
	<b><u>241,114,820.12</u></b>	<b><u>416,674,271.25</u></b>
<b>Note 9</b>		
<b>ACCOUNT RECEIVABLES</b>		
Trade debtors	490,837,169.02	648,853,961.12
Staff debtors	<u>30,007,000.00</u>	<u>45,000,000.00</u>
	<b><u>520,844,169.02</u></b>	<b><u>693,853,961.12</u></b>
<b>Note 10</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash at bank	198,532,207.32	138,320,506.95
Cash on hand	<u>1,340,400.00</u>	<u>258,900.00</u>
	<b><u>199,872,607.32</u></b>	<b><u>138,579,406.95</u></b>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
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**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

		<b>2022</b>	<b>2021</b>
		<b>TSHS</b>	<b>TSHS</b>
<b>Note 12</b>	<b>ACCOUNT PAYABLES</b>		
	Trade creditors & accruals	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>12.10</b>	In the opinion of the director, the carrying amounts of the current portion of trade and other receivables approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the weighted average cost of capital that directors expect to be applicable at the statement of financial position date. No interest is charged on the trade payables.		
		<b>2022</b>	<b>2021</b>
<b>Note 13</b>	<b>BANK OVERDRAFT</b>	471,295,216.52	366,120,375.43
<b>Note 14</b>	<b>EMPLOYEES COSTS</b>		
	Administrative cost		
	Salaries and wages	Note 4 <u>287,292,023.76</u>	<u>861,876,071.29</u>
		<u><b>287,292,023.76</b></u>	<u><b>861,876,071.29</b></u>
<b>Note 15</b>	<b>INCOME TAX EXPENSES</b>		
	Current tax	<u>69,658,770.47</u>	<u>122,703,869.33</u>
		<u><b>69,658,770.47</b></u>	<u><b>122,703,869.33</b></u>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

**Note 16 CAPITAL COMMITMENTS**

There were no future commitments not provided for the financial statements as at 30th June 2022

**Note 17 CONTINGENT LIABILITIES**

There was no any contingent envisaged by business at at 30th June 2022

**Note 18 COMPARATIVE INFORMATION**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

**Note 19 EVENTS AFTER DATE OF STATEMENT OF FINANCIAL POSITION**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

**Note 20 FINANCIAL ASSET AND LIABILITIES (IAS 39)**

Assets and liabilities, and their fair values. The table below sets out classification of each class of financial assets and liabilities and their fair value.

	2022 Fair Value	2021 Fair Value
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	199,872,607.32	138,579,406.95
Trade & other receivables	520,844,169.02	693,853,961.12
<b>Total Financial Assets</b>	<b>720,716,776.34</b>	<b>832,433,368.07</b>
<b>FINANCIAL LIABILITIES</b>		
Account payables	-	-
Bank overdraft	471,295,216.52	366,120,375.43
<b>Total financial liabilities</b>	<b>471,295,216.52</b>	<b>366,120,375.43</b>

**MAGARE COMPANY LIMITED**  
**P.O. BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

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**Note 20 FINANCIAL ASSET AND LIABILITIES (IAS 39)**

Assets and liabilities, and their fair values. The table below sets out classification of each class of financial assets and liabilities and their fair value.

	<b>2022</b>	<b>2021</b>
	<b>Fair Value</b>	<b>Fair Value</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	199,872,607.32	138,579,406.95
Trade & other receivables	520,844,169.02	693,853,961.12
<b>Total Financial Assets</b>	<b>720,716,776.34</b>	<b>832,433,368.07</b>
<b>FINANCIAL LIABILITIES</b>		
Account payables	-	-
Bank overdraft	471,295,216.52	366,120,375.43
<b>Total financial liabilities</b>	<b>471,295,216.52</b>	<b>366,120,375.43</b>

**MAGARE COMPANY LIMITED**  
**P.O.BOX 6043**  
**MWANZA - TANZANIA**

**INTERIM NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2022**

	<b>2022</b>	<b>2021</b>
	<b>TSHS</b>	<b>TSHS</b>
<b>Note 21 FINANCIAL INSTRUMENTS (IAS 32)</b>		
Categories of financial instruments		
<b><u>Assets</u></b>		
<b><u>Loans and Receivables</u></b>		
Trade receivables	520,844,169.02	693,853,961.12
Cash and cash equivalent	199,872,607.32	109,366,612.98
Fixed deposit investment	400,000,000.00	400,000,000.00
<b><u>Available for sale financial assets</u></b>		
Investment	-	-
<b><u>NON FINANCIAL ASSETS</u></b>		
Property, plant and equipment	880,254,415.61	940,788,816.65
Inventories	241,114,820.12	416,674,271.25
<b>Total Assets</b>	<b><u>2,242,086,012.07</u></b>	<b><u>2,560,683,662.00</u></b>
<b><u>EQUITY &amp; FINANCIAL LIABILITIES</u></b>		
Financial liabilities at amortized cost		
Trade creditors	-	-
Bank overdraft	471,295,216.52	366,120,375.43
Term loan	-	186,309,622.13
<b><u>EQUITY &amp; NON FINANCIAL LIABILITIES</u></b>		
Operational capital	538,755,184.38	538,755,184.38
Retained earnings the year	1,232,035,611.17	1,469,498,480.06
<b>Total equity and financial liabilities</b>	<b><u>2,242,086,012.07</u></b>	<b><u>2,560,683,662.00</u></b>

Advertising and Marketing	84,336	96,986	111,534	128,265	147,504	169,630	195,074	933,330
Business License	380	437	503	578	665	764	879	4,205
Contractors Registration Board	5,400	5,670	5,954	6,251	6,564	6,892	7,237	43,967
Meals	56,400	64,860	74,589	85,777	98,644	113,441	130,457	624,167
Uniform expenses	4,200	4,830	5,555	6,388	7,346	8,448	9,715	46,481
Labor charges	9,200	10,580	12,167	13,992	16,091	18,504	21,280	101,815
Transport expenses	84,000	96,600	111,090	127,754	146,917	168,954	194,297	929,611
Travelling & accommodation expenses	78,000	89,700	103,155	118,628	136,422	156,886	180,419	863,210
Interest repayment	15,689	18,042	20,749	23,861	27,440	31,556	36,290	173,627
<b>Cash changes</b>	<b>8,895,826</b>	<b>10,225,838</b>	<b>11,755,310</b>	<b>13,514,343</b>	<b>15,536,974</b>	<b>17,862,951</b>	<b>20,538,272</b>	
Cash Balance at start	199,873	747,401	1,074,964	1,456,064	1,898,592	2,412,020	3,007,032	
Cash Balance at end	<b>747,401</b>	<b>1,074,964</b>	<b>1,456,064</b>	<b>1,898,592</b>	<b>2,412,020</b>	<b>3,007,032</b>	<b>3,695,416</b>	