

SUGEC (EASTAFRICA) INTERNATIONAL TRADING CO LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

COMPANY INFORMATION

MANAGEMENT	:	Mr. Huang Jinshan-Director-Chinese
REGISTERED OFFICE	:	SUGEC (East Africa) International Trading Co Limited
	:	P.O. Box 13071
	:	Plot No. 2091
	:	Kunduchi Mtongani Area
	:	Dar es Salaam
	:	Tanzania
INDEPENDENT AUDITORS	:	Demus Associates.
	:	Certified Public Accountants in Public Practice
	:	P. O. Box 12665,
	:	Dar es Salaam
	:	Tanzania
	:	demus.associates@gmail.com
COMPANY SECRETARY	:	FB Attorneys
	:	8 th Floor
	:	Amani Place, Ohio Street
	:	P.O. Box 19813
	:	Dar es Salaam, Tanzania
PRINCIPAL BANKER	:	CRDB Bank Plc
	:	P.O.Box 268
	:	Dar es Salaam
	:	Tanzania
LEGAL ADVISOR	:	Calling Attorneys
	:	P.O. Box
	:	Dar es Salaam, Tanzania

**SUGEC (EASTAFRICA) INTERNATIONAL TRADING CO LIMITED.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

COMPANY INFORMATION

The Company Director submits his annual report together with audited financial statements for the year ended 31st December 2022, which disclosed the state of affairs of the Company.

Incorporation

The Company is domiciled in Tanzania where it is registered as a place of business in Tanzania of a company incorporated outside Tanzania under Section 435 of the Tanzanian Companies Act, 2002. The address of the registered office of the Company and head office is set out on page 1.

Principal activities

The principal business activity of the Company in Tanzania is that of Importation and Selling of Motor Vehicles Tires, Steel Bars, batteries, lubricant and Auto parts.

Company Management

Members of Company management who held office during the year and to the date of this report, except where otherwise stated, are set out on page 1.

Company Secretary

The company secretary in Tanzania as at the date of this report is set out on page 1.

Results

Performance results are disclosed from page 7 to 10 of these financial statements.

Risk Management and Internal Controls

Company management accepts final responsibility for the risk management and internal control system of the Company. It is their task to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

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The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non - compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Company system is designed to provide the Head Office with reasonable assurance that the procedures in place are operating effectively. The Head Office and Company Management assessed the internal control systems throughout the financial year ended 31st December 2022 and are of the opinion that they met accepted criteria.

Solvency

The Head Office and Company Management confirm that application accounting standards have been followed and that the financial statements have been prepared on a going concern basis. They have reasonable expectation that SUGEC (EAST AFRICA) INTERNATIONAL TRADING CO LIMITED- Tanzania Company has resources to continue in operational existence for the foreseeable future.

Related party transactions

All related party transactions and balances are disclosed in Note 12 to these financial statements.

Auditor

The Company has appointed Ms. Demus Associates, Certified Public Accountants in Public Practice & Tax Advisors as statutory auditors with effect from financial year 2022 in accordance with Section 159 (2) of the Tanzanian Companies Act, 2002.

.....
Director - Company
Name: Huang Jin Shan

Dar es Salaam, 10th Jun 2023

.....
Directors - Company
Name:

Dar es Salaam 2023

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STATEMENT OF COMPANY DIRECTOR'S RESPONSIBILITIES

The Tanzanian Companies Act, 2002 requires the directors (of head office company) to prepare financial statements which gives a true and fair view of the state of affairs of the Company as at the end of the financial year and of the results for that year. It also requires the directors (of head office company) to ensure that the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Company. The directors (of head Office Company) and Company management are also responsible for safe guarding the assets of the Company.

The directors (of head office company) and Company management accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates; consistent with previous years, and in conformity with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act, 2002. The directors (of head office company) and Company management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company as at 31st December 2022 and of its operating results for the year then ended. The directors (of head office company) and Company management further confirm the accuracy and completeness of the accounting records maintained by the Company which have been relied upon in the preparation of these financial statements, as well as on the adequacy of the systems of internal controls.

Nothing has come to the attention of the directors (of head Office Company) and Company management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the board of directors on 10th Jun 2022 signed on its behalf by:



Director - Company
Name: Huang Jin Shun

Dar Es Salaam, 10th Jun 2023
2023

Directors - Company
Name:

Dar es Salaam _____

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUGEC (EAST AFRICA)
INTERNATIONAL TRADING CO LIMITED- TANZANIA COMPANY.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SUGEC (EAST AFRICA) INTERNATIONAL TRADING CO LIMITED- Tanzania Company, which comprise the Statement of Financial Position as at 31st December 2022, the Statement of Comprehensive Income, the Statement of Change in Equity, the Statement of Cash Flows, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and the Tanzanian Companies Act, 2002 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 error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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; whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. 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.

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



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OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of SUGEC (EAST AFRICA) INTERNATIONAL TRADING CO LIMITED-Tanzania Company as at 31st December, 2022, and (of) its financial performance and its cash flows for the year than ended in accordance with IFRS and the Companies Act, 2002.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The report, including the opinion, has been prepared for, and only for, the Company Management and Head Office Company's members as a body in accordance with the Tanzanian Companies Act, 2002 and for no other purposes.

As required by the Tanzanian Companies Act, 2002 we report to you, based on our audit that;

- i). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii). In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and.
- iii). The Company's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.



Shadrack L. Msekalile - ACPA 581

MANAGING PARTNER

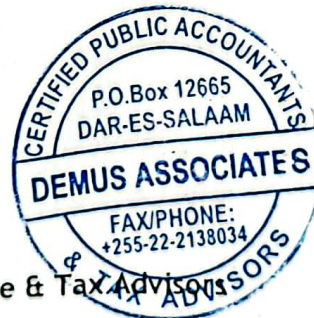
DEMUS ASSOCIATES,

Certified Public Accountants in Public Practice & Tax Advisors

P. O. Box 12665,

DAR ES SALAAM

TANZANIA



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STATEMENT OF FINANCIAL POSITION

DESCRIPTION	NOTES	2022 TZS	2021 TZS
ASSETS:			
NON CURRENT ASSETS			
Property, Plant & Equipments	ii	4,959,938,653	5,114,240,050
CURRENT ASSETS			
Accounts Receivables	6	3,318,909,921	2,586,603,240
Inventories	8	3,092,167,708	2,093,017,870
Advance Payments to Supplier	7	513,973,670	729,845,552
VAT Receivable		-	-
Cash and Bank Balance	5	308,664,572	423,907,897
TOTAL CURRENT ASSETS		7,233,715,870	5,833,374,559
TOTAL NET ASSETS		12,193,654,523	10,947,614,609
EQUITY			
Share Capital	9	200,000,000	200,000,000
Retained Earnings/Loss		368,063,137	99,382,401
Additional Capital		-	-
TOTAL EQUITY		568,063,137	299,382,401
LONG TERM LIABILITIES			
Loan		7,562,255,185	7,562,255,185
CURRENT LIABILITIES			
Bank Overdraft -China Comercial Bank		-	-
Income Tax	22	185,503,418	102,354,531
Advance Payment from Customers	10	8,425,432	22,569,417
Accounts Payable	11	3,869,407,351	2,961,053,076
TOTAL CURRENT LIABILITIES		4,063,336,201	3,085,977,024
TOTAL LIABILITIES		11,625,591,386	10,648,232,210
TOTAL EQUITY & LIABILITES		12,193,654,523	10,947,614,610

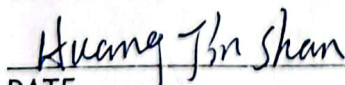
The significant accounting policies and the explanatory notes from page 11 to 22 form part of these financial statements.

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COMPANY DIRECTOR		DATE	
STATEMENT OF COMPREHENSIVE INCOME			
DESCRIPTION	NOTES	2022 TZS	2021 TZS
INCOME			
Contract Receipts	12	11,871,400,081	9,298,101,644
Add: Other Income		-	-
GROSS INCOME		11,871,400,081	9,298,101,644
Less: Direct Costs	13	9,883,435,797	8,083,772,860
OPERATING PROFIT		1,987,964,284	1,214,328,784
OPERATING EXPENSES			
Personnel Expenses	14	258,919,625	280,442,433
Administrative Expenses	19	492,688,382	240,767,360
Registration and Business Establish	15	8,491,000	1,714,000
Amortisation		75,759,760	75,759,760
Permit and License	16	6,062,480	28,049,790
Financial Cost	17	585,889,574	556,962,652
Miscellaneous Expenses	18	2,443,220	890,277
Depreciation	ii	173,880,620	186,653,647
TOTAL OPERATING EXPENSES		1,604,134,661	1,371,239,920
PROFIT/LOSS BEFORE TAX		383,829,623	(156,911,135)
Income Tax		115,148,887	-
PROFIT /LOSS AFTER TAX		268,680,736	(156,911,135)

The significant accounting policies and the explanatory notes from page 11 to 22 form part of these financial statements.


COMPANY DIRECTOR


DATE

COMPANY DIRECTORS

SUGEC (EASTAFRICA) INTERNATIONAL TRADING CO LIMITED.
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STATEMENT OF CHANGE IN EQUITY

DESCRIPTION	NOTES	2022 TZS	2021 TZS
<u>Share Capital</u>			
Opening Balance		200,000,000	200,000,000
Changes		-	-
Closing Balance		200,000,000	200,000,000
<u>Retaining Earning</u>			
Opening Balance		99,382,401	256,293,536
Profit for the year		268,680,736	(156,911,135)
Balance at the end of the year		368,063,137	99,382,401

The significant accounting policies and the explanatory notes from page 11 to 22 form part of these financial statements.

Huang Jinsan 黄金山
 COMPANY DIRECTOR

10th Jun 2023
 DATE

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STATEMENT OF CASH FLOW

DESCRIPTION	2022 TZS	2021 TZS
Cash Flows from Operating Activities		
Profit /(loss) before Tax	383,829,623	(156,911,135)
Adjustments:		
Depreciation	173,880,620	186,653,647
Provision for Income Tax	173,880,620	186,653,647
Adjusted Profit	<u>557,710,243</u>	<u>29,742,512</u>
Cash Flows from Operating Activities before Changes in Working Capital Items.		
(increase)/Decrease in Accounts Receivables	(732,306,680)	592,764,185
(increase)/Decrease in Inventories	(999,149,838)	(540,686,752)
(Increase)/Decrease in VAT Receivable	-	-
Increase/(Decrease) in Accounts Payable	908,354,275	497,145,021
Increase/(Decrease) in Advance Payment to Supplier	215,871,882	(484,595,915)
Increase/(Decrease) in Advance payments from Custom	(14,143,985)	(30,819,882)
Increase/(Decrease) in Term Loan	-	(23,200)
Total	<u>(621,374,346)</u>	<u>33,783,457</u>
Tax Paid	43,759,760	45,759,760
Cash Generated from /(Used in) Operating Activities	<u>(19,904,343)</u>	<u>109,285,728</u>
Cash Flows from Investing Activities		
Purchases of Non-Current Assets	(95,338,983)	(119,576,801)
Disposal of Non -Current Assets	-	-
Net Cash Flow from Investment	<u>(95,338,983)</u>	<u>(119,576,801)</u>
Cash Flows from Financing Activities		
Capital Received	-	-
Additional Capital	-	-
Net Cash Flow from Financing	<u>-</u>	<u>-</u>
Increase /(Decrease) in Cash & Cash Equivalent	<u>(115,243,326)</u>	<u>(10,291,073)</u>
Cash and Cash Equivalents at 01.01	<u>423,907,898</u>	<u>434,198,971</u>
Cash and Cash Equivalents	<u>308,664,572</u>	<u>423,907,898</u>

The significant accounting policies and the explanatory notes from page 11 to 22 form part of these financial statements.

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COMPANY DIRECTOR

DATE

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES

1. GENERAL INFORMATION

Sugec (East Africa) International Co Limited is a Company incorporated and domiciled in the Republic of Tanzania.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) Basis of Preparation

The financial statements of Sugec (East Africa) International Co Limited comply with the Tanzania Companies Act 2002 and have been prepared in accordance with International Financial Reporting Standards.

The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimated. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation.

Depreciation is calculated on the reducing balance method, at annual rates estimated to write off carrying values of assets over the expected their expected useful lives:

- Equipment for Construction	25.0%
- Equipment for Transportation	37.50%

(c) Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Impairment Testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of estimated future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors.

(d) Trade Payables

Liabilities for trade and other amount payables are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

(e) Investment

Long term investments are stated at acquisition price.

No provision for any permanent diminution in value is made.

(f) Cash and Cash Equivalent

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Cash and cash equivalents include cash in hand, and deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Share Capital

Ordinary shares are classified as equity. Mandatory redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

(h) Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

(i) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises expenditure incurred in the normal course of the business, including direct material costs, labour and production overheads. Net realizable value is the price at which the stocks can be realized in the normal course of the business after allowing for the costs of the realization and, where appropriate, the cost of conversion from its existing state to a realizable condition, provision is made for obsolete, slow moving and defective stocks.

(j) Foreign Currencies

(i) Functional and presentation currency

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Items included in the financial statements are measured in Tanzania Shillings (TZS.) which is the main currency the company uses to transact business ("the functional currency"). The financial statements are presented in Tanzania Shillings

(ii) *Transactions and Balances*

Transactions in other currencies other than the TZS. Are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in other currencies are recognized in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(k) **Revenue Recognition**

Revenue from the provision of services is recognized when all the following conditions have been satisfied.

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing Directorial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with transaction will flow to the company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with transaction is recognized by reference to the stage of completion of the transaction at end of reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

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- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with transaction will flow to the company
- The stage of completion of the transaction at the end of reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable from services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax
- Interest is recognized in profit or loss, using the effective interest rate method.

(l) Income Tax

Income tax expense is the aggregate of the charge to the income statement in respect of current income tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.

Deferred income tax is provided in full using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

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

(r) Provisions

Provisions are recognized when the company has present legal or contractive obligations as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle these obligations, and a reliable estimate of the amount of the obligations can be made.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Income Taxes

Significant judgment is required in determining the Company's provision for income taxes. There are transactions and calculations for which the ultimate tax determination may be uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

a) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables. The Company does not have any significant concentrations of credit risk.

b) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and bank balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

c) Capital Risk Management

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The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

4.0 SCHEDULE OF PROPERTY, PLANT, AND EQUIPMENT

Particulars	Land	Buildings	Motor vehicle & Plants	Office Furniture & Fittings	Computer, Devices & Equipments	Total
Cost						
Balance as at 01/01/2022	2,476,841,888	3,249,724,708	352,582,472	133,296,363	10,436,139	3,746,039,682
Additions	-	95,338,983	-	-	-	95,338,983
Work In Progress	-	-	-	-	-	-
Subtotal	-	95,338,983	-	-	-	95,338,983
Balance as at 31/12/2022	<u>2,476,841,888</u>	<u>3,345,063,691</u>	<u>352,582,472</u>	<u>133,296,363</u>	<u>10,436,139</u>	<u>3,841,378,665</u>
Depreciation						
Balance as at 01/01/2022	-	611,603,530	245,165,455	53,393,451	9,461,490	919,623,925
Charge for the Year	-	136,673,008	26,854,254	9,987,864	365,493	173,880,620
Balance as at 31/12/2022	-	<u>748,276,538</u>	<u>272,019,709</u>	<u>63,381,315</u>	<u>9,826,983</u>	<u>1,093,504,545</u>
Net Book Value	<u>2,476,841,888</u>	<u>2,596,787,153</u>	<u>80,562,763</u>	<u>69,915,048</u>	<u>609,156</u>	<u>2,747,874,120</u>

5.0 CASH & CASH EQUIVALENTS

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DESCRIPTION	2022 TZS	2021 TZS
CRDB US\$	156,281,348	25,317,780
CRDB TSHS	75,871,763	351,551,710
NMB US\$	13,771,520	299,079
NMB TSHS	38,902,911	37,031,225
BOA US\$	663,497	-
BOA TSHS	173,160	-
Cash In Hand	23,000,373	9,708,103
TOTAL	308,664,572	423,907,897

6.0 ACCOUNTS RECEIVABLES

DESCRIPTION	2022 TZS	2021 TZS
Trade Receivables	3,400,901,397	2,586,603,240
Other Receivables - Financial Centre	-	-
Other Receivables - Staff Imprests	-	-
Withholding Taxes	-	-
TOTAL	3,400,901,397	2,586,603,240

7.0 ADVANCE PAYMENT TO SUPPLIERS

DESCRIPTION	2022 TZS	2021 TZS
Advance Payment	513,973,670	729,845,552
Staff Imperest	-	-
Withholding Taxes	-	-
TOTAL	513,973,670	729,845,552

8.0 INVENTORIES

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DESCRIPTION	2022 TZS	2021 TZS
Steel Bar	9,263,342	
Autoparts	114,810,265	16,675,617
Tyres	1,976,563,242	1,974,514,567
Battery	152,176,950	86,791,867
Lubricant	3,221,254	15,035,819
Solar Equipment	783,764,623	-
Cement	-	-
Building Material	52,368,031	-
TOTAL	3,092,167,708	2,093,017,870

9.0 SHARE CAPITAL OF THE COMPANY

Authorised Share of the company

100 ordinary shares @ TZS.2,000,000/= TZS 200,000,000/=

Issued and Paid up Capital

100 ordinary shares @ TZS. 2,000,000/= TZS 200,000,000/=

The reported balance represents balances due to share capital issued in United Republic of Tanzania as at 31st December, 2022.

10.0 ADVANCE PAYMENT FROM CUSTOMERS

DESCRIPTION	2022 TZS	2021 TZS
Advance Payment From Customers	8,425,432	22,569,417
Withholding Taxes	-	-
TOTAL	8,425,432	22,569,417

11.0 ACCOUNTS PAYABLES

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DESCRIPTION	2022 TZS	2021 TZS
Trade Payables	352,731,395	22,241,840
Other Payable-Jiangsu Geology -Tz	-	-
Deffered Revenue Advances	-	-
Accrued Expenses	3,459,173,018	2,884,143,632
Taxes Payable-WHT	57,502,939	54,667,604
TOTAL	<u>3,869,407,351</u>	<u>2,961,053,076</u>

12.0 REVENUE

DESCRIPTION	2022 TZS	2021 TZS
Sales Receipts	12,119,027,199	11,053,799,108
Wrong Issued Receipts	(247,627,119)	(1,755,697,464)
TOTAL	<u>11,871,400,081</u>	<u>9,298,101,644</u>

13.0 COST OF MATERIALS

DESCRIPTION	2022 TZS	2021 TZS
Opening Balance	2,093,017,870	1,552,331,118
Add: Purchases	10,882,585,634	8,624,459,611
Goods Available for Sale	12,975,603,504	10,176,790,729
Less:Closing Stock	3,092,167,708	2,093,017,870
Cost Of Sale	<u>9,883,435,797</u>	<u>8,083,772,860</u>

14.0 PERSONELL EXPENSES

DESCRIPTION	2022 TZS	2021 TZS
Salaries and Wages	228,364,509	215,682,111
Skills and Development Levy	9,134,580	8,705,866
NSSF Employment Contribution	19,729,848	44,740,307
WCF Contribution	1,099,687	2,952,640
Medical Expenses	591,000	8,361,509
TOTAL	<u>258,919,625</u>	<u>280,442,433</u>

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15.0 REGISTRATION & BUSINESS ESTABLISHMENT COST

DESCRIPTION	2022 TZS	2021 TZS
Commercial Establishment	-	-
OSHA -Compliance	740,000	884,000
Government Inspection & Analysis	700,000	-
Survey & Evaluation Fees	6,360,000	-
Court & Case Hearing & Registration	379,500	520,000
BRELLA Annual Return	311,500	110,000
Company Registration	-	200,000
TIC Facilitation Fees	-	-
TOTAL	8,491,000	1,714,000

16.0 PERMIT & LICENSE COST

DESCRIPTION	2022 TZS	2021 TZS
Working Permit	4,540,480	25,742,290
Billboard levy	-	-
Motor Vehicle License	-	-
Business License	1,522,000	2,307,500
TOTAL	6,062,480	28,049,790

17.0 FINANCIAL COST

DESCRIPTION	2022 TZS	2021 TZS
Bank Charges	10,860,188	10,286,614
Interest on Loan-CHINA COMMERCIAL BAN	-	-
Interest on Loan-Foreign Credit	575,029,386	546,676,039
TOTAL	585,889,574	556,962,652

18.0 MISCELLANEOUS COST

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DESCRIPTION	2022 TZS	2021 TZS
Utility	-	730,277
Bad Debt	-	-
Damage & loss	-	-
Loss Due to Theft	-	-
Accessories	2,443,220	160,000
TOTAL	2,443,220	890,277

19.0 ADMINISTRATIVE COST

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DESCRIPTION	2022 TZS	2021 TZS
Government Warehouse Rent	3,891,888	-
Telephone, Postage, & Mobile Phone Charges	2,729,000	9,462,737
Audit, Accountancy & Other Consultancy fee	13,094,915	3,000,000
Hardware and Materials	96,265,271	4,335,610
Motor vehicle Repair and Maintenance	11,678,814	10,707,975
Transport	100,544,614	66,400,387
Hired of Vehicles, Equipment & Machines	-	47,288,136
Diesel, Fuel and Lubricants	49,346,627	27,321,271
City Services Levy	33,444,219	29,999,907
Motor Vehicle Spare Parts	3,991,017	-
Parking & Entrance Fees	1,131,529	186,541
Printing and Stationary	7,451,466	674,085
Freight & Cargo Services Charges	-	-
Insurance on Motor Vehicles	472,000	300,000
Translation Fees	380,000	850,000
Advertisement Fees	447,000	527,424
Travelling and Accommodation	135,953,980	7,449,195
Legal Services Fee	4,350,000	2,050,000
Security Charges	2,142,000	2,447,553
Water and Electricity	11,685,528	7,175,753
General Office Supplies	13,688,513	20,590,787
TOTAL	492,688,382	240,767,360

20.0 CAPITAL ALLOWANCE

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DESCRIPTION	CLASS I 37.50%	CLASS III 12.50%	CLASS VI 5.00%	TOTAL
W.D.V at the start	53,529,507	86,734,038	2,107,595,815	2,247,859,360
Additions	-	-	95,338,983	95,338,983
	<u>53,529,507</u>	<u>86,734,038</u>	<u>2,202,934,798</u>	<u>2,343,198,343</u>
Less: Annual Allowance:	20,073,565	10,841,755	110,146,740	141,062,060
W.D.V at the end	<u>33,455,942</u>	<u>75,892,283</u>	<u>2,092,788,058</u>	<u>2,202,136,283</u>

21.0 INCOME TAX COMPUTATION

DESCRIPTION	2022 TZS	2021 TZS
Profit/(Loss) as per Accounts	268,680,736	(156,911,135)
Add: Back Depreciation	173,880,620	186,653,647
Non Allowable Expenses	13,688,513	20,590,787
	<u>456,249,869</u>	<u>50,333,299</u>
Less: Capital Allowances	141,062,060	155,434,377
Loss from Previous Year	-	-
Profit/loss As per Tax Computation	<u>315,187,809</u>	<u>(105,101,078)</u>
Corporate Tax	94,556,343	-
Less: Provisional Tax Paid	32,000,000	30,000,000
Income Tax Due	<u>62,556,343</u>	<u>(30,000,000)</u>

22.0 TAXATION

DESCRIPTION	2022 TZS	2021 TZS
Opening Balance	102,354,531	132,354,531
Tax Adjusted during the year	-	-
Charge for the year	115,148,887	-
Sub Total	<u>217,503,418</u>	<u>132,354,531</u>
Provisional Tax paid	32,000,000	30,000,000
Final Tax	-	-
Closing Balance	<u>185,503,418</u>	<u>102,354,531</u>

23.0 AMORTISATION OF LAND

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PARTICULARS	AMOUNT TSHS
Cost	
Balance as at 01/01/2022	2,500,072,079
Additions	-
Work in Progress	-
Subtotal	-
Balance as at 31/12/2022	<u>2,500,072,079</u>
Amortisation	
Balance as at 01/01/2022	212,247,786
Charge for the Year	<u>75,759,760</u>
Balance as at 31/12/2022	<u>288,007,546</u>