

# **Barwaaqo Investments Limited**

*ANNUAL FINANCIAL STATEMENTS*

*For the year ended 31st December 2022.*

***Muko Associates***

*Certified Public Accountants & Tax Consultants,*

*Livingstone/Lindi Street-Kariakoo*

*P.O. Box 75660, Dar Es Salaam, Tanzania.*

*Tel: 255 715 695 227 / 0767 695 227*

*Barwaaqo Investments Limited*  
*Annual report and financial statements*  
*For the year ended 31st December 2022.*

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**Barwaaqo Investments Limited**  
**Company information**  
**For the year ended 31st December 2022.**

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	<u>Name</u>	<u>Nationality</u>
<b>Board of directors</b>	<i>Abdulrahaman Ahmed Hassan.</i>	<i>Tanzanian</i>
	<i>Mohamed Abdulrahman Ahmed.</i>	<i>Tanzanian</i>
	<i>Ahmed Abdurahman Ahmed.</i>	<i>Somali</i>
	<i>Abdikarim Said Hassan</i>	<i>British</i>

**Company secretary**

*Abdulrahaman Ahmed Hassan.*  
*P.O. Box 42577*  
*Dar Es Salaam,*  
*Tanzania*

**Registered office**

*Region:Dar Es Salaam,*  
*District:Temeke,*  
*Ward:Mtoni,*  
*Postal Code:15108,*  
*Location:Mtoni Azizi Ali,Near Bank Club*  
*Email: barwaaqodsm@hotmail.com*  
*Mobile:0756 579 221*  
*P.O.Box:42577.*

**Independent auditor**

*Muko Associates*  
*Certified Public Accountants & Tax Consultants,*  
*Livingstone/Lindi Street-Kariakoo*  
*P.O. Box 75660,Dar Es Salaam,Tanzania.*  
*Tel : 255 715 695 227 / 0767 695 227*

**Principal bankers**

*KCB Bank*  
*Amana Bank*

**Legal advisers**

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**Barwaaqo Investments Limited**  
**The Report by Those Charged with Governance**  
**For the year ended 31st December 2022.**

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**The Report by Those Charged with Governance**

**Introduction**

The Directors present their report and the audited financial statements of **Barwaaqo Investments Limited** (“the Company”) for the year ended **31st December 2022**, which disclose the state of affairs of the Company

**Incorporation**

The Company was incorporated in Tanzania on **31st Day of October 2005** under the Companies Act 2002, as a private limited liability company and issued with Certificate of incorporation **no: 54397**

**Company Shareholding**

Name of shareholder	Number of shares held	
	2022	2021
<i>Abdulrahman Ahmed Hassan.</i>	400	400
<i>Mohamed Abdulrahman Ahmed.</i>	100	200
<i>Ahmed Abdurahman Ahmed.</i>	90	100
<i>Abdikarim Said Hassan</i>	100	100
<i>Hassan Abdullahman Ahmed</i>	5	0
<i>Ahmed Abdurahman Ahmed.</i>	5	0
<b>TOTAL</b>	<b>700</b>	<b>800</b>

**Principal activities**

The principal activity of the company is **Transit Transportation (FUELS)**.

The Company is Operating in the transit cargo transportation Industry. Offering Transportation services of FUEL to Tanzania's neighbouring Countries, especially Zambia, Congo, Kenya, Burundi and Rwanda.

The company's business location is in Tanzania as specified in **Page 1**. The company is also complied with the Transportation Regulations of Tanzania and is aware of other Regulations in the area of operation. The company also it's a member of the Tanzania Truck Owners Association.

**Results and dividends**

The net profits /(loss) for the year of **Tzs:242,284,932 = (2021: Tzs:146,772,162)** has been added to retained earnings. The Directors do not recommend the declaration of a dividend for the year.

**Performance for the year**

During the year, the Company recorded a net profit after tax of **Tzs:242,284,932 = (2021:Tzs:146,772,162)** as compared to previous year. This increase in profit was mainly attributed to growth of Sales Revenue by 10% and increase of Gross margin to 10% as shown in the summary below.

**Barwaaqo Investments Limited**  
**The Report by Those Charged with Governance**  
**For the year ended 31st December 2022.**

**The Report by Those Charged with Governance** (continued)

A summary of key ratios obtained from operating results from the financial statements as set out on page 11 is outlined below:

		<u>2022</u>		<u>2021</u>
Growth in Sales Revenue	Turnover	18,100,002,449	10%	16,495,015,142
Growth in Cost of Sales	Cost of Sales	16,225,457,046	8%	15,005,638,117
	<b>Gross Profit From</b>			
Growth in Gross Profit	<b>Operation</b>	<b>1,874,545,403</b>	26%	<b>1,489,377,025</b>
	Gross Profit			
Growth in Profit Margin	Margin	10%		9%
Growth in Expenses	Expenses	1,287,763,522	9%	1,181,164,542
Growth in Net Finance Cost	Net Finance Cost	292,965,750	197%	98,537,966
	Income tax expense	88,386,899	41%	62,902,355
	<b>Profit for the year</b>			
Growth in Profit After Tax	<b>after tax</b>	<b>205,429,232</b>	40%	<b>146,772,162</b>
Growth in Net Profit	Net Profit Margin	1%		1%

**Risk Management Policy**

The company has laid down a comprehensive Risk Assessment and minimization procedures which are viewed by the Board from time to time. These procedures are reviewed to ensure that executive management control risks through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process or measures have been formulated in the areas such as business, object execution, event, financials, human environment and statutory Compliance.

**Corporate Governance**

The Company through its board of Directors and Management teams upholds and practices the principles of sound corporate governance. This and the company's Memorandum and Article of Association together with the Companies Act no.12 of 2002 and other policies established by the board have been provided with a framework for ensuring the application of sound corporate governance principles and best practices by the Company's board and management in managing the day to day affairs of the company.

**Borrowings**

The company has borrowing third parties during the year as stated in *note 14 page 20*.

**Subsequent Events**

The Directors are not aware of any other significant matter or circumstances arising since the end of the financial period, nor otherwise dealt with in these financial statements, which significantly affect the financial position of the company or the result of its operation

*Barwaaqo Investments Limited*  
*The Report by Those Charged with Governance*  
*For the year ended 31st December 2022.*

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**The Report by Those Charged with Governance**

*(continued)*

**Going Concern**

The Directors have prepared the financial statements on the basis of accounting policies applicable to a going concern after due consideration of assumption and judgement.

**Environmental Matter**

The company complied with standards of Industrial safety and environmental regulations established by various authorities to the best of its knowledge.

**Solvency**

The Company's state of affairs at *31st December, 2022* is as set out on *page 12* of the financial statements. Directors consider the company to be solvent within the meaning ascribed by the Directors.

**Corporate governance**

The Company has a code of ethics' which all staff are required to abide by. including to all drivers to abide with Road Traffic regulations and Other Road Regulations

We believe in adopting the best practices in Corporate Governance. The Board, Management and the Company employees are committed to upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the attainment of good governance and excellent performance in any organization

**Members charged with Governance**

**Functions**

The Board is responsible and accountable for providing effective corporate governance, direction and control of the Company. The directors have a duty to exercise leadership, enterprise, integrity and judgement based on transparency, fairness, accountability and responsibility. The Board is responsible for appointing the management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the company. It is also responsible for managing good relationships with all the stakeholders, Chairman, Vice Chairman, General Secretary, Secretary and Treasurer.

**Directors**

As per *Sec. 66(1) ITA Cap. 332 R.E 2019*, the Directors who held the office during the year and fully served the Company are:

*Abdulrahaman Ahmed Hassan.*  
*Mohamed Abdulrahman Ahmed.*

**Barwaaqo Investments Limited**  
**The Report by Those Charged with Governance**  
**For the year ended 31st December 2022.**

**The Report by Those Charged with Governance**

(continued)

**Employees Welfare**

**Management and Employees' Relationship**

There were continued good relationships between employees and management for the year 2021. There were no unresolved complaints received by Management from employees during the year.

The company is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

**Healthy and Safety**

The company has a strong health and safety department which ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees by providing adequate and proper personal protective equipment, training and supervision as necessary.

**Employees Benefit Plan**

The company pays contribution to a publicly administered pension plan on mandatory basis which qualifies to be a defined contribution plan.

**Responsibility by those charged with governance**

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Company

**Independent Auditors**

The auditors, *Muko Associates*, having expressed their willingness, continue in office in accordance with Section 170 (2) of the Companies Act, 2002.

**By order of the board of those charged with Governance**

  
.....  
Mohamed Abdularman Hassan.  
Chairman

Dar Es Salaam ..1.1.061..... 2023.



**Barwaaqo Investments Limited**  
**Statement of directors' responsibilities**  
**For the year ended 31st December 2022.**

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The Companies Act 2002 requires the directors to prepare financial statements for each financial year that 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 profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

The directors 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 profit/loss and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

*The financial statements on pages 11 to 14 were approved for issue by the board of directors on ..... 2023 and were signed on their behalf by:*

.....  
Director



.....  
Director

***Barwaaqo Investments Limited***  
***Declaration of the Head of Finance / Accountant***  
***For the year ended 31st December 2022.***

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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 an independent accountant responsible for the preparation of financial statements of the entity.

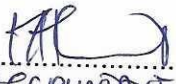
**Report on the financial statements**

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management 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/Governing Body as under Directors Responsibility statement on an earlier page.

**Declaration**

I HASSAN AHMED GULEFH being the Head of Finance/Accounting of ***Barwaaqo Investments Limited***, hereby acknowledge my responsibility of ensuring that financial statements for the year ended ***31st December 2022*** have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of ***Barwaaqo Investments Limited*** as on that date and that they have been prepared based on properly maintained financial records.

Signed By.....  
Position..... Accountant  
NBAA Membership No.....  
Dar Es Salaam

Date..... 1/10/2023..... 2023.

# MUKO ASSOCIATES

*Certified Public Accountants and Tax Consultants*  
Livingstone /Lindi - Street - Kariakoo, P.O.BOX 75660, Dar Es Salaam Tanzania  
Tel : 255 767 695 227 / 628 900 129 /0787 000 640 /0754 468 719

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*Independent Auditors Report to the Shareholders of :*

**Barwaaqo Investments Limited**

## **Opinion**

We have audited the financial statements of *Barwaaqo Investments Limited* which comprise the changes in financial position as at *31st December 2022*, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended and the notes to the financial statements including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects the financial position of *Barwaaqo Investments Limited* as at *31st December, 2022* its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

## **Basis for opinion.**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under the standard 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 ethical requirements that are relevant to our audit of the company financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with 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 judgement 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 the financial statements as a whole. Our opinion in the financial statements is not modified with respect to any of the key audit matters described below and we do not express an opinion on these individual matters. We report that there were no significant key audit matters warranting disclosure herein during the year under review.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the 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 misstatements, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. *We remain solely responsible for our audit opinion.*

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on other legal requirements**

As required by the Tanzania Companies Act 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 purposes 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  
the company's balance sheet and profit and loss account are in agreement with the books of
- iii) account.

Signed By.....  
*Njogo B.B. Nyamuko (FCPA-PP512)*  
Dar Es Salaam

Date...1/06/2023.



*Barwaaqo Investments Limited*  
*Financial statements*  
*For the year ended 31st December 2022.*

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2022.**

	<i>Notes</i>	<b>2022</b> <b>Tzs:</b>	<b>2021</b> <b>Tzs:</b>
Revenue	3	18,100,002,449	16,495,015,142
Direct Costs /Cost of Sales	4	16,225,457,046	15,005,638,117
<b>Gross Profit From Operation</b>		<b>1,874,545,403</b>	<b>1,489,377,025</b>
<b>Other Income</b>	5	<b>0.00</b>	<b>0.00</b>
<b>Expenses</b>			
Administrative Expenses	18	678,555,692	678,678,078
Establishment Expenses	19	600,166,233	488,708,731
Annual Depreciation	17	9,041,597	13,777,733
<b>Total Expenses</b>		<b>1,287,763,522</b>	<b>1,181,164,542</b>
<b>Profit from Operation</b>		<b>586,781,880</b>	<b>308,212,483</b>
Net Finance Cost	11	292,965,750	98,537,966
<b>Profit before Tax</b>		<b>293,816,130</b>	<b>209,674,517</b>
Income tax expense	7(b)	88,386,899	62,902,355
<b>Profit for the year after tax</b>		<b>205,429,232</b>	<b>146,772,162</b>
<b><u>Comprehensive Income</u></b>			
Foreing Currency Translation	13	0.00	0.00
<b>Total Comprehensive income for the year</b>		<b>205,429,232</b>	<b>146,772,162</b>

**Barwaaqo Investments Limited**  
*Financial statements*  
*For the year ended 31st December 2022.*

**STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2022.**

	Notes	2022 Tzs:	2021 Tzs:
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, Plant & Machinery	17	3,872,511,368	3,118,603,695
Work in Progress		1,356,335,361	-
<b>Total Non-current assets</b>		<b>5,228,846,729</b>	<b>3,118,603,695</b>
<b><u>Current assets</u></b>			
Trade Debtors & Other Receivables	9	775,109,319	307,698,803
Income Tax Payable	7(b)	0.00	0.00
Cash and Bank	8	1,109,019,770	1,508,412,957
<b>Total Current assets</b>		<b>1,884,129,089</b>	<b>1,816,111,760</b>
<b>Total Assets</b>		<b>7,112,975,818</b>	<b>4,934,715,455</b>
<b><u>LIABILITIES</u></b>			
<b><u>Non-current liabilities</u></b>			
Loans & Borrowings	14(a)	3,249,997,491	1,426,147,987
<b>Total non-current liabilities</b>		<b>3,249,997,491</b>	<b>1,426,147,987</b>
<b><u>Current Liabilities</u></b>			
Trade Creditors & Other Payables	10	2,524,740,351	2,412,745,624
Loans & Borrowings	14(b)	0.00	0.00
Income Tax Payable	7(b)	50,489,254	12,502,355
<b>Total Current Liabilities</b>		<b>2,575,229,605</b>	<b>2,425,247,979</b>
<b>Total Liabilities</b>		<b>5,825,227,096</b>	<b>3,851,395,966</b>
<b>NET ASSETS</b>		<b>1,287,748,722</b>	<b>1,083,319,490</b>
<b><u>SHAREHOLDERS EQUITY</u></b>			
Share capital	6(a)	7,000,000	8,000,000
Advance Towards Share Capital	6(b)	992,000,000	992,000,000
Cumulative Retained Earnings	OE	288,748,721	83,319,490
<b>TOTAL EQUITY</b>		<b>1,287,748,721</b>	<b>1,083,319,490</b>

*Barwaaqo Investments Limited*  
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*For the year ended 31st December 2022.*

**STATEMENT OF CHANGES IN OWNERS EQUITY**

<u>2021</u>	<u>Page</u>	<u>Share Holders Tshs</u>	<u>Retained Earnings Tshs</u>	<u>Advance Towards Capital Tshs</u>	<u>TOTALS Tshs</u>
At 1st January 2021		8,000,000	114,197,423	992,000,000	1,114,197,423
Accounting policy change		-	-	-	-
Prior years Tax adjustments		-	(177,650,095)	-	(177,650,095)
Equity Change		-	-	-	-
Restated Balance		8,000,000	(63,452,672)	992,000,000	936,547,328
Profit/(Loss) After Tax	11	-	146,772,162	-	146,772,162
<b>At 31st December 2021</b>		<b>8,000,000</b>	<b>83,319,490</b>	<b>992,000,000</b>	<b>1,083,319,490</b>

<u>2022</u>	<u>Page</u>	<u>Share Holders Tshs</u>	<u>Retained Earnings Tshs</u>	<u>Advance Towards Capital Tshs</u>	<u>TOTALS Tshs</u>
At 1st January 2022		8,000,000	83,319,490	992,000,000	1,083,319,490
Accounting policy change		0.00	0.00	0.00	0.00
Prior years Tax adjustments		0.00	0.00	0.00	0.00
Equity Change		(1,000,000)	0.00	0.00	(1,000,000)
Restated Balance		7,000,000	83,319,490	992,000,000	1,082,319,490
Total Comprehensive income for the year	11	-	205,429,232	-	205,429,232
<b>At 31st December 2022</b>		<b>7,000,000</b>	<b>288,748,721</b>	<b>992,000,000</b>	<b>1,287,748,721</b>

*Barwaaqo Investments Limited*  
*Financial statements*  
*For the year ended 31st December 2022.*

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022.**

	<b>2022</b>	2021
	<b>Tzs:</b>	Tzs:
<b><u>Cashflow From Operating Activities</u></b>		
(Loss)/Profit before taxation	293,816,130	209,674,517
<i>Adjustments For:</i>		
Depreciation	1,125,775,783	876,195,495
Additional Tax Adjustments per Assessments	-	(93,637,355)
<i>Working Capital Changes:</i>		
Increase in Trade Debtors & Other Receivables	(467,410,516)	539,307,594
Increase in Trade Creditors & Other Payables	111,994,727	(203,678,862)
<i>Cash generated from operations</i>	<u>1,064,176,124</u>	<u>1,327,861,389</u>
Income Taxes Paid in Cash	(50,400,000)	(50,400,000)
Other Taxes Paid	0.00	-
<i>Net Cash Generated by Operating Activities</i>	<u>1,013,776,124</u>	<u>1,277,461,389</u>
<b><u>Cashflow From Investing Activities</u></b>		
Purchases of Property, Plant & Equipments	(1,879,683,455)	(1,148,498,297)
Cash from Disposal	0.00	0.00
Work in progress	(1,356,335,361)	-
<i>Net Cash Used by Investing Activities</i>	<u>(3,236,018,816)</u>	<u>(1,148,498,297)</u>
<b><u>Cashflow From Financing Activities</u></b>		
Borrowings	1,823,849,505	1,249,108,663
Share capital	(1,000,000)	-
<i>Net Cash Generated by Financing Activities</i>	<u>1,822,849,505</u>	<u>1,249,108,663</u>
<i>Net Decrease in Cash &amp; Cash Equivalents</i>	<u>(399,393,187)</u>	<u>1,378,071,754</u>
<b><u>Cash &amp; Cash Equivalents at the:</u></b>		
Beginning of the year	1,508,412,957	130,341,202
At the End of the year	<u>1,109,019,770</u>	<u>1,508,412,957</u>

NOTES

**1 General Information**

*Barwaaqo Investments Limited* (the Company) is incorporated in Tanzania under the Tanzanian Companies Act as a private company limited by shares, and is domiciled in Tanzania. The address of its registered office and principal place of business is *Temeke - Mtoni kwa Aziz Ally -Dar-es-Salaam*. The principal activities of the company is *Transit Transportation of Fuel*.

**2 Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (Tshs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

**a Revenue recognition**

Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue from sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Tanzania.

**b Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year at the rate of 30%, determined in accordance with the Income Tax Act 2004 as amended.

**c Translation of foreign currencies**

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the balance sheet date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

**d Trade and other receivables**

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

NOTES (CONTINUED)

*e* Property, Plant and Equipment. (PPE)

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the reducing balance method. The following annual rates are used for the depreciation of property, plant and equipment:

	<u>Rate Used</u>
<i>IT Equipments</i>	<i>37.5 per cent</i>
<i>Land &amp; Building</i>	<i>00.0 per cent</i>
<i>Motor Trucks &amp; Tanks</i>	<i>25.0 per cent</i>
<i>Motor Cycle, Tools, Equipments &amp; Furnitures</i>	<i>12.5 per cent</i>

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in profit or loss.

*f* Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

*g* Employee benefits - post-employment benefits (continued)

The company and its employees do contribute to the National Social Security Fund (NSSF) but are readily provided in the accounts, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to profit or loss in the year to which they relate.

*h* Cash and cash equivalents

For purposes of cash flow statements, cash and cash equivalents, comprise cash in Hand and Bank.

*i* Impairment of non-financial assets

At each reporting date, property, plant and equipment, investment property, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. Current year no impairment losses has been recognised.

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**NOTES (CONTINUED)**

**j** Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of ..... years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

**k** Share capital, share premium, and dividends

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of the par value are classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared. Proposed dividends are accounted for as a separate component of equity until they have been declared at an annual general meeting.

**l** Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

	<b>2022</b>	<b>2021</b>
	<b>Tzs:</b>	<b>Tzs:</b>
<b>3</b> <u>Revenue</u>		
Transit Transportation	17,967,196,502	16,495,015,142
Rental Income	36,000,000	
Local Transportation	96,805,947	
	<u>18,100,002,449</u>	<u>16,495,015,142</u>
<b>4</b> <u>Direct Costs /Cost of Sales</u>		
Fuels and Lubricants	8,869,442,196	7,942,105,347
Purchase of Spares	1,566,173,031	1,794,744,264
Tyres and Tubes	646,300,879	470,404,789
Transit and Border expenses	3,329,905,450	3,514,306,217
Zambia Road Permit	43,240,856	44,480,000
Loss of Fuel on Transit	522,280,409	253,098,838
Insurance	131,380,040	124,080,899
Trucks & Tanks Depreciation	1,116,734,186	862,417,762
	<u>16,225,457,046</u>	<u>15,005,638,117</u>
<b>5</b> <u>Other Income</u>		
Rental Income	0.00	0.00
Interest gain	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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NOTES (CONTINUED)

	2022 Tzs:	2021 Tzs:
<b>6 Share capital</b>		
<u>Authorised</u>		
Number	10,000	10,000
Par Value	10,000	10,000
	<u>100,000,000</u>	<u>100,000,000</u>
<b>6(a) Issued and fully paid</b>		
Number	700	800
Par Value	10,000	10,000
	<u>7,000,000</u>	<u>8,000,000</u>
<b>6(b) Advance Towards Share Capital</b>		
Balance Brought Forward	990,000,000	990,000,000
Increase / (Decrease) During The year	0.00	0.00
Transferred to Nominal Value	0.00	0.00
<b>Balance Carried Forward</b>	<u>990,000,000</u>	<u>990,000,000</u>
<b>7 TAXATION</b>		
<b>7(a) Income Tax Expenses</b>		
Profit before Tax	293,816,130	209,674,517
<u>Adjustments</u>		
Annual Depreciation	1,125,775,783	876,195,495
Penalty, Interests & Fines	806,865	-
Comprehensive Income	-	-
Depreciable Allowance ( <i>Note: 20</i> )	(1,125,775,783)	(876,195,495)
<b>Adjusted Income during the year</b>	<u>294,622,995</u>	<u>209,674,517</u>
Brought Forward Loss Prior Years	-	-
<b>Taxable Income for the year</b>	<u>294,622,995</u>	<u>209,674,517</u>
Current tax	88,386,899	62,902,355
Deferred tax	0	0
Under-provision in prior year	0	0
<b>Total Tax Expense for the year</b>	<u>88,386,899</u>	<u>62,902,355</u>

*Income tax Expenses is calculated at 30 per cent (30%) of the taxable income for the year.*

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**NOTES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
	<b>Tzs:</b>	<b>Tzs:</b>
<b>7(b) Taxation Account</b>		
Tax Payable Brought Forward	12,502,355	(84,012,740)
Tax expense for year (7a)	88,386,899	62,902,355
Reversal of tax credits Prior years	-	169,113,178
Additional Tax per Tax Audit	-	-
Total tax during the year	<u>100,889,254</u>	<u>148,002,793</u>
Provisional tax paid	(50,400,000)	(50,400,000)
Transfer to payable account (2020 assessment)	-	(85,100,438)
Tax paid on Final Assessment	-	-
Paid per accounts	-	-
<b>Income Tax Payable</b>	<u><u>50,489,254</u></u>	<u><u>12,502,355</u></u>
<b>8 Cash &amp; Banks</b>		
Cash at Banks	1,109,019,770	1,508,412,957
Cash in Hand	0.00	-
	<u><u>1,109,019,770</u></u>	<u><u>1,508,412,957</u></u>
<b>9 Trade Debtors &amp; Other Receivables.</b>		
VAT Refunds	719,747,110	307,698,803
Trade Debtors	55,362,209	0
	<u><u>775,109,319</u></u>	<u><u>307,698,803</u></u>
<b>10 Trade Creditors &amp; Other Payables</b>		
City Service Levy	51,239,007	46,221,045
Legal & Professional Fees	1,000,000	1,000,000
National social security fund contributions	5,380,000	4,460,000
PAYE & SDL Payable	4,023,700	5,790,465
Trade Creditors(Foreign & Domestic)	2,462,837,644	2,263,416,324
Corporate Tax payable on assesement (2020)	0.00	85,100,438
Taxation interests payable	0.00	5,627,080
Withholding Tax payable	0.00	851,272
Workers compensation fund	260,000	279,000
	<u><u>2,524,740,351</u></u>	<u><u>2,412,745,624</u></u>

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**NOTES (CONTINUED)**

	<b>2022</b>	<b>2021</b>
	<b>Tzs:</b>	<b>Tzs:</b>
<b>11 Net Finance Cost</b>		
Interest on bank loan and overdraft	292,965,750	98,537,966
	<u>292,965,750</u>	<u>98,537,966</u>
<b>12 Cash &amp; Cash Equivalents</b>		
Cash and Banks	1,109,019,770	1,508,412,957
Bank overdraft	0.00	0.00
	<u>1,109,019,770</u>	<u>1,508,412,957</u>
<b>13 Comprehensive Income</b>		
Exchange loss/(gain) on foreign currency Translations	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<b>14 Borrowings</b>		
The loan are secured by a floating lien over land and buildings including Trucks & Trailers owned by the company.		
<b>14(a) Non-current</b>		
Bank loan - fully repayable	3,249,997,491	1,426,147,987
Loan advance by Directors	0.00	0.00
	<u>3,249,997,491</u>	<u>1,426,147,987</u>
<b>14(b) Current/Maturity</b>		
Bank loan - fully repayable	0.00	0
Obligations under finance leases	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<b>Total borrowings</b>	<u>3,249,997,491</u>	<u>1,426,147,987</u>
<b>15 Contingent liabilities</b>		
<i>There were no contingent liabilities as at 31st December, 2022</i>		
<b>16 Events after the end of the reporting period</b>		
<i>No significant event justifying disclosure happened after end of the reporting period</i>		

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NOTES (CONTINUED)

17 Property, Plant & Equipments

	IT Equipments & Small Vehicles Shs'	Motor Trucks & Tanks Shs'	Buildings Shs'	Motor Cycle, Tools, Equip ments & Shs'	TOTAL Shs'
<i>Cost</i>					
At 1st January 2022	44,612,681	7,899,286,382	499,203,220	38,319,894	8,481,422,177
Additions	0.00	1,879,683,455	0.00	0.00	1,879,683,455
Disposals	0.00	0.00	0.00	0.00	0.00
At 31st December 2022	<u>44,612,681</u>	<u>9,778,969,837</u>	<u>499,203,220</u>	<u>38,319,894</u>	<u>10,361,105,632</u>
<i>Accumulated Deprec. and Impairment</i>					
At 1st January 2022	24,519,887	5,312,033,095	0.00	26,265,500	5,362,818,482
Annual Depreciation	7,534,798	1,116,734,186	0.00	1,506,799	1,125,775,783
Impairments	0.00	0.00	0.00	0.00	0.00
Acc. Depreciation on Disposal	0.00	0.00	0.00	0.00	0.00
At 31st December 2022	<u>32,054,685</u>	<u>6,428,767,280</u>	<u>0.00</u>	<u>27,772,299</u>	<u>6,488,594,264</u>
<i>Carrying Amount</i>					
At 31st December 2022	<u>12,557,996</u>	<u>3,350,202,557</u>	<u>499,203,220</u>	<u>10,547,595</u>	<u>3,872,511,368</u>
At 31st December 2021	<u>20,092,794</u>	<u>2,587,253,287</u>	<u>499,203,220</u>	<u>12,054,394</u>	<u>3,118,603,695</u>

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**SCHEDULE OF OPERATING EXPENDITURE**

	<b>2022</b> <b>Shs'</b>	<b>2021</b> <b>Shs'</b>
<b>18 Administrative Expenses</b>		
<b>Employment:</b>		
National social security fund contributions	28,324,000	26,420,000
Salaries and wages	502,700,000	516,100,000
Directors Fees	84,000,000	84,000,000
Skill and development levy	23,468,000	24,004,000
Staff medical	71,000	911,200
Workers Compesation Fund	3,319,000	3,565,800
Staff Uniform	0	2,354,000
OSHA	3,200,000	670,000
Staff Canteen	330,000	0
<b>Total employment costs</b>	<b>645,412,000</b>	<b>658,025,000</b>
 <b>Other administration expenses:</b>		
Bank charges and commissions	30,851,362	18,714,994
Professional Fees	1,000,000	1,000,000
Postages and telephones	1,082,330	600,000
Printing & Stationers	210,000	338,084
<b>Total other administration expenses</b>	<b>33,143,692</b>	<b>20,653,078</b>
<b>Total administrative expenses</b>	<b>678,555,692</b>	<b>678,678,078</b>

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**SCHEDULE OF OPERATING EXPENDITURE (CONTINUED)**

<b>19 Establishment Expenses</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'</b>	<b>Shs'</b>
Business and Transport Licences	97,780,247	139,836,283
BRELA	237,000	0
Car Tracking Service Charges	179,386,285	70,740,450
City service levy	54,300,007	49,485,045
Cleaning Expenses	1,990,000	1,445,000
Electricity and water	5,522,000	4,905,000
Fire Inspection fees	500,000	700,000
Garage Rent Expenses	47,580,000	41,040,000
Inspection & Measurements Agency	128,048,155	87,315,993
Loading & OffLoading	688,980	0
Penalty, Interests & Fines	806,865	0
Other City Levies	5,071,000	4,601,700
Repairs and maintenance	27,812,881	67,746
Security Charges	5,890,678	3,298,900
Stamp Duty	120,000	410,400
SUMATRA & COMESA/ CARBON FEES	42,307,500	70,039,000
Transport and travelling	142,025	3,486,300
Kigamboni Bridge Toll fees	1,982,610	0
Freight Costs	0	11,336,914
<b>Total establishment expenses</b>	<b>600,166,233</b>	<b>488,708,731</b>

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NOTES (CONTINUED)

20 Depreciable Allowance

	Class I 37.5%	Class II 25.0%	Class III 12.5%	TOTAL
<b>TWDV AS</b>				
At 1st January 2022	20,092,794	2,587,253,287	12,054,394	2,619,400,475
Additions	-	1,879,683,455	-	1,879,683,455
Realization	0.00	0.00	0.00	0.00
<b>Depreciable Basis</b>	<b>20,092,794</b>	<b>4,466,936,742</b>	<b>12,054,394</b>	<b>4,499,083,930</b>
Depreciable Allowance	7,534,798	1,116,734,186	1,506,799	1,125,775,783
Additional Depreciation ( <i>3rd Sch. 3(7)ITA</i> )	0.00	0.00	0.00	0.00
<b>Total Depreciable Allowance</b>	<b>7,534,798</b>	<b>1,116,734,186</b>	<b>1,506,799</b>	<b>1,125,775,783</b>
<b>TWDV AS</b>				
At 31st December 2022	<b>12,557,996</b>	<b>3,350,202,557</b>	<b>10,547,595</b>	<b>3,373,308,148</b>