

DIANAROSE LOGISTICS COMPANY LIMITED

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2022

DIANAROSE LOGISTICS COMPANY LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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DIANAROSE LOGISTICS COMPANY LIMITED

ORGANIZATION INFORMATION

Registered Office: Mbezi Luois, Near NMB Bank
P.O. Box 31800
Dar es Salaam
Tanzania

Bankers Bank of Africa
NDC Development House
Ohio Street / Kivukoni Front
P.O. Box 3054
Dar es Salaam

Auditors Brilite Associates
Certified Public Accountants (Tanzania)
6th Floor Sky Tower New Bagamoyo Road
Kijitonyama
P.O. Box 14230
Dar es Salaam,
Tanzania

Board of Directors Francis Kimaro - Tanzanian
Rosemary Kimaro - Tanzanian

DIANAROSE LOGISTICS COMPANY LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. INTRODUCTION

The Directors present their report together with the audited financial statements for the year ended 31 December 2022 which disclose the state of affairs of Dianarose Logistics Company Limited hereinafter referred to as "the Company" or "Dianarose".

2. PRINCIPAL BUSINESS ACTIVITIES

The principal business of the Company is transportation of goods by road.

3. INCORPORATION

The Company is incorporated in under the Companies Act, 2002 as a Limited Company.

4. FINANCIAL RESULTS

The financial results for the year are set out on page 8 of the financial statements. The Company made a loss amounting to TZS 160,224,715 (2020: loss of TZS 261,847,376).

5. SOLVENCY

The state of affairs of the Organization at 31 December 2022 is set out on Page 7 of the financial statements.

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The Directors believe that the Company will have adequate resources to continue in operation for the foreseeable future. Consequently, the the period's financial statements are prepared under the going concern basis of accounting.

6. FUTURE DEVELOPMENT

The Company will continue focusing on improving service offering to its customers; manage costs and risks and increase organisational and personnel efficiency. The Company will also continue to introduce value adding products, which have direct impact to improvement of its income.

7. DIRECTORS

The Company's board of Directors is as shown in page 1.

8. RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors accepts final responsibility for the risk management and internal control systems of the Company. It is the task of the Directors 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:

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

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Company's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2022 and is of the opinion that they met accepted criteria.

9. POLITICAL DONATIONS

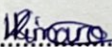
The Company did not make any political donation during the year.

10. RELATIONSHIP WITH OTHER STAKEHOLDERS

The Organization continued to maintain a good relationship with all stakeholders including the regulators.

11. AUDITORS

Auditors, Brilite Associates having expressed their willingness to the office, are eligible for re-appointment. Their contract will be discussed in the next annual general meeting.


.....
Rosemary Raymond Kimaro
Director

29/06.....2023

DIANAROSE LOGISTICS COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2002 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company.

The Directors are also responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002, and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act, 2002. 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 and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

.....Kimaro.....
Rosemary Raymond Kimaro
Director

.....29/06/.....2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DIANAROSE LOGISTICS COMPANY LIMITED

Report on the financial statements**Opinion**

We have audited the financial statements of Dianarose Logistics Company Limited (the "Company") set out on pages 10 to 24, which comprise of the statement of financial position at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Business as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") 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 Business 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 Tanzania, 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.

Other Information

The other information comprises the company's Report as required by the Companies Act, 2002 of Tanzania. The other information does not include the financial statements and our auditor's report thereon. The Company is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the financial statements

The Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and for such internal controls as Management determine are 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, the Management is responsible for assessing the Business'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 the Management intend to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Business's financial reporting process.

Auditors' 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

As required by the 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 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
- (iii) the Company's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit or loss account) are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ashery Z. Mbasha.

Brilite Associates
Certified Public Accountants (Tanzania)



Signed by: A.Z.Mbasha

Date... *30 June 2023*

NBAA Registration No. ACPA 3618
Dar es Salaam



DIANAROSE LOGISTICS COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
31 December 2022

<u>ASSETS</u>	NOTES	<u>2022</u> <u>TZS</u>	<u>2021</u> <u>TZS</u>
<u>Non current assets</u>			
Property, Plant and Equipments	10	2,271,828,077	2,070,995,018
Intangible assets	11	88,671,933	122,434,267
Deferred tax	17	121,997,349	188,937,210
		<u>2,482,497,359</u>	<u>2,382,366,494</u>
<u>Current assets</u>			
Bank & Cash	12	2,636,047,530	757,348,265
Trade and Other Receivables	13	1,586,086,984	1,294,114,501
Income tax recoverable	9	60,500,000	85,500,000
VAT control account		538,540,207	365,033,870
		<u>4,821,174,722</u>	<u>2,501,996,636</u>
Total assets		<u>7,303,672,080</u>	<u>4,884,363,130</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Capital and Reserves</u>			
Issued & Fully paid up Share:		100,000	100,000
Advance Towards Share Capital		3,830,052,228	3,830,052,228
Retained earnings - prior years		(609,258,407)	(347,411,031)
Retained earnings - current year		(160,244,715)	(261,847,376)
		<u>3,060,649,106</u>	<u>3,220,893,821</u>
<u>Non Current Liabilities</u>			
Long Term Loan	16	508,643,153	-
Long Term loan - Lease finance		-	-
		<u>508,643,153</u>	<u>-</u>
<u>Current liabilities</u>			
Trade and other payables	14	3,705,796,233	1,663,469,310
Other tax payable	15	28,583,588	-
Current Tax	9	-	-
		<u>3,734,379,822</u>	<u>1,663,469,310</u>
Total Equity and liabilities		<u>7,303,672,081</u>	<u>4,884,363,131</u>

The financial statements on pages 7 to 17 were approved by the Board and signed on it by:

.....
Rosemary Raymond Kimaro
Director

.....29/06/2023

DIANAROSE LOGISTICS COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 TZS	2021 TZS
Revenue from transportation services	3	14,409,779,454	12,188,013,774
Revenue from other services		-	-
Total revenue		14,409,779,454	12,188,013,774
Direct cost			
Direct cost	4	(12,344,014,064)	(10,369,537,186)
Gross profit		2,065,765,390	1,818,476,588
Miscellaneous income		-	-
Net miscellaneous income		-	-
Gross income		2,065,765,390	1,818,476,588
Indirect expenses			
Staff costs	5	(984,976,207)	(1,109,807,270)
Establishment	6	(584,393,851)	(521,408,222)
General administration costs	7	(322,726,229)	(363,727,950)
Finance costs	8	(283,264,458)	(148,244,942)
Total administrative expenses		(2,175,360,746)	(2,143,188,384)
Profit/(Loss) before income tax		(109,595,355)	(324,711,796)
Income Tax	9	(66,939,861)	92,835,325
Profit/(Loss) for the year		(176,535,217)	(231,876,471)
OTHER COMPREHENSIVE INCOME			
Prior years assessed tax	15	(115,149,397)	-
Translation differences		131,439,899	(29,970,905)
Total comprehensive loss for the year		(160,244,715)	(261,847,376)

DIANAROSE LOGISTICS COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary Share Capital	Advance towards share capital	Retained Earnings	Total
	TZS	TZS	TZS	TZS
Period ended 31 December 2022				
At 1 January 2022	100,000	3,830,052,228	(609,258,407)	3,220,893,821
Capital contribution	-	-	-	-
Total comprehensive income for the year:				
Comprehensive income for the year	-	-	(160,244,715)	(160,244,715)
Dividends	-	-	-	-
At 31 December 2022	100,000	3,830,052,228	(769,503,122)	3,060,649,106
Period ended 31 December 2021				
At 1 January 2021	100,000	3,830,052,228	(347,411,031)	3,482,741,197
Capital contribution	-	-	-	-
Total comprehensive income for the year:				
Comprehensive income for the year	-	-	(261,847,376)	(261,847,376)
Dividends	-	-	-	-
At 31 December 2021	100,000	3,830,052,228	(609,258,407)	3,220,893,821

DIANAROSE LOGISTICS COMPANY LIMITED
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>2022</u> TZS	<u>2021</u> TZS
(a) Cash flows from operating activities		
Net income(loss) before tax	(109,595,355)	(324,711,796)
Adjustment for:		
Translation difference	131,439,899	(29,970,905)
Depreciation & amortisation	536,247,901	519,217,097
	<u>558,092,445</u>	<u>164,534,396</u>
Changes in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	(291,972,484)	(468,217,858)
(Increase)/Decrease in recoverable VAT	(173,506,337)	(149,666,364)
Increase/(Decrease) in other liabilities	2,042,326,923	1,559,653,607
	<u>1,576,848,102</u>	<u>941,769,385</u>
Net cash used in operating activities before tax payment		
Tax paid during the year-provisional tax	(20,000,000)	(40,500,000)
Tax paid during the year-prior year	-	-
Tax paid during the year-audit adjustment	(41,565,809)	(243,000,001)
Net cash used in operating activities	<u>2,073,374,738</u>	<u>822,803,780</u>
(b) Cash flows from investing activities		
Purchases of property and equipment	(748,233,881)	(416,347,638)
Purchases of intangible assets	-	(89,967,482)
Proceeds from disposal of property and equipment	44,915,254	-
Net cash flows from investing activities	<u>(703,318,627)</u>	<u>(506,315,120)</u>
(c) Cash flows from financing activities		
Proceeds from borrowings	535,751,871	-
Repayment of borrowings	(27,108,717)	-
Net cash generated from financing activities	<u>508,643,153</u>	<u>-</u>
Net increase in cash and cash equivalents (a+b+c)	1,878,699,265	316,488,660
Cash and cash equivalents at the beginning of the period	757,348,266	440,859,606
Cash and cash equivalents at the end of the period	<u><u>2,636,047,530</u></u>	<u><u>757,348,266</u></u>

DIANAROSE LOGISTICS COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Current taxation on revenue is provided on the basis of profit attributable to business and adjusted for the disallowable expenses and other nontaxable gains at the enacted tax rate of 30%.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The provision is calculated at rates of tax current at the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised while deferred tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at currently enacted tax rates and the movement charged or credited to profit or loss.

Property and Equipment

The Company capitalizes assets with a cost of TZS 300,000 and above. As at the balance sheet date, no asset qualified for classification. Depreciation is calculated on reducing balance method in line with the provision of the Income Tax Act, 2004.

Asset Class	Useful life	Depreciation rate
Motor Vehicles, Trucks & Trailers	4	25%
Computers	3	37.50%
Furniture & Fittings	8	12.50%
Office Equipment	8	12.50%
Intangible assets	5	20%

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts.

Payables

Payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

DIANAROSE LOGISTICS COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 GENERAL INFORMATION

The principal business of the Company is transportation of goods by road.

The address of the business is as shown below:

Mbezi Luois, Near NMB Bank
P.O. Box 31800
Dar es Salaam
Tanzania

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs). The financial statements have been prepared on the accrual basis of accounting.

The significant accounting policies adopted in preparation of these financial statements are set out below:

Basis of preparation

The financial statements have been prepared under the historical cost basis on the assumptions that the Company will continue trading as a going concern for the foreseeable future. Historical cost generally based or fair value of the consideration given in exchange for assets.

The financial statements are presented in Tanzanian shillings.

Revenue recognition

Sales of goods and services are recognised in the period in which the service has been rendered, the percentage of completion can be reasonably and reliably ascertained, the customer has accepted the quality of the services offered and collectability of the related receivables is reasonably assured. Revenue comprises the fair value of consideration received or receivable for the provision of services in the ordinary course of the Company's activities.

DIANAROSE SPARE PARTS LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 NOTES

	2022	2021
	<u>TZS</u>	<u>TZS</u>
3 <u>Income</u>		
Income from Transportation - Transit	14,409,779,454	12,176,130,287
Income from Transportation - Local	-	11,883,487
	<u>14,409,779,454</u>	<u>12,188,013,774</u>
4 <u>Direct Cost</u>		
Tyres,Tube and Batteries	547,104,316	514,500,271
Travelling charges	729,579,187	634,115,188
Road Toll & Other Border fees	2,965,105,745	2,635,652,976
Parking charges	359,667,248	233,021,297
Repair & Maintenance	154,946,172	109,131,275
Fuel	5,831,020,118	4,872,594,923
Insurance charges	79,773,504	58,330,066
Agency fee	215,150,154	154,001,067
License and Permits	208,212,241	146,642,842
Other voyage costs	108,267,354	90,402,652
Spareparts	1,145,188,026	921,144,629
	<u>12,344,014,064</u>	<u>10,369,537,186</u>
5 <u>Employment</u>		
Salaries & Wages	873,083,489	967,682,439
SDL	29,124,815	38,356,690
Pension	72,812,038	95,891,725
WCF	4,005,865	7,876,416
Other staff cost	5,950,000	-
	<u>984,976,207</u>	<u>1,109,807,270</u>
6 <u>Establishment</u>		
Rent	48,145,950	2,191,125
Amortisation of intangible assets	33,762,334	30,608,567
Depreciation	502,485,567	488,608,530
	<u>584,393,851</u>	<u>521,408,222</u>
7 <u>General and administration expenses</u>		
Telephone,Postage and Internet	10,899,200	12,284,770
Electricity & Water charges	22,951,356	19,574,931
Fines, penalties and facilitation expenses	22,888,608	15,260,715
Meals	47,530,000	44,216,600
Printing & Stationery	6,187,550	7,069,500
General Office expenses	27,692,674	59,801,442
Miscellaneous expenses	3,851,638	7,758,830
City Service Levy	43,364,084	70,358,923
Travelling & Accomodation	35,607,010	38,700,368
Stamp duty	30,942,850	-
Medical charges	-	13,067,591
Professional fees	51,573,260	50,818,280
Security charges	19,238,000	24,816,000
	<u>322,726,229</u>	<u>363,727,950</u>

DIANAROSE LOGISTICS COMPANY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 NOTES

	2022	2021
	<u>TZS</u>	<u>TZS</u>
8 Finance costs		
Bank Charges & Money transfer charges	247,332,728	148,244,942
Loan processing fees	19,140,812	-
Interest on borrowings	16,790,919	-
	<u>283,264,458</u>	<u>148,244,942</u>
9 TAXATION		
<i>(a) Tax charge:</i>		
Current tax based on adjusted profit	-	-
Deferred tax expense/(credit)-prior year	92,951,886	-
Deferred tax expense/(credit)-current year	(26,012,024)	(92,835,325)
Total tax charge/(credit) for the year	<u>66,939,861</u>	<u>(92,835,325)</u>
<i>(b) Reconciliation of the actual tax expense and the expected tax expense based on the accounting profit:</i>		
Accounting profit before taxation	<u>(109,595,355)</u>	<u>(324,711,796)</u>
Tax at the applicable tax rate of 30%	(32,878,607)	(97,413,539)
Tax effect of:		
Expenses not deductible for tax purposes	6,866,582	4,578,214
Prior year underprovision of deferred tax	-	-
Derecognised deferred tax asset	92,951,886	-
Tax charge/(credit) basing on reconciled profit	<u>66,939,861</u>	<u>(92,835,325)</u>
<i>(c) Movement in tax account:</i>		
Tax recoverable/(payable) at the beginning of the year	85,500,000	45,000,000
Current tax expense	-	-
Release of tax credit towards prior year's tax audit	(45,000,000)	-
Tax paid during the year-CY	20,000,000	40,500,000
Tax recoverable/(payable) at the end of the year	<u>60,500,000</u>	<u>85,500,000</u>

DIANAROSE LOGISTICS COMPANY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 NOTES

10. PROPERTY AND EQUIPMENT

	Trucks & Trailers	Computers	Furniture & Fittings	Office Equipment	Capital Work in Progress	Other vehicles	Total
For the year ended 31 December 2022							
COST							
At 1st January 2022	8,535,181,794	39,043,300	6,910,380	64,815,746	590,512,259	-	9,236,463,480
Additions	539,548,729	793,220	2,533,898	-	202,786,000	2,572,034	748,233,881
Disposal	(271,523,548)	-	-	-	-	-	(271,523,548)
As at 31 December 2022	8,803,206,975	39,836,520	9,444,278	64,815,746	793,298,259	2,572,034	9,713,173,813
DEPRECIATION							
At 1st January 2022	7,123,297,400	21,148,167	3,209,593	17,813,302	-	-	7,165,468,462
Charge for the period	487,858,281	7,008,132	779,336	5,875,305	-	964,513	502,485,567
Eliminated in disposal	(226,608,294)	-	-	-	-	-	(226,608,294)
As at 31 December 2022	7,384,547,387	28,156,299	3,988,929	23,688,608	-	964,513	7,441,345,735
NET BOOK VALUE							
As at 31 December 2022	1,418,659,588	11,680,221	5,455,350	41,127,138	793,298,259	1,607,521	2,271,828,077
As at 31 December 2021	1,411,884,394	17,895,133	3,700,787	47,002,444	590,512,259	-	2,070,995,018
For the year ended 31 December 2021							
COST							
At 1st January 2021	8,291,407,794	27,762,900	6,370,380	58,490,946	436,083,821	-	8,820,115,842
Additions	243,774,000	11,280,400	540,000	6,324,800	154,428,438	-	416,347,638
Disposal	-	-	-	-	-	-	-
As at 31 December 2021	8,535,181,794	39,043,300	6,910,380	64,815,746	590,512,259	-	9,236,463,480
DEPRECIATION							
At 1st January 2021	6,652,669,268	10,411,088	2,680,909	11,098,668	-	-	6,676,859,933
Charge for the period	470,628,131	10,737,080	528,684	6,714,635	-	-	488,608,530
Eliminated in disposal	-	-	-	-	-	-	-
As at 31 December 2021	7,123,297,400	21,148,167	3,209,593	17,813,302	-	-	7,165,468,462
NET BOOK VALUE							
As at 31 December 2021	1,411,884,394	17,895,133	3,700,787	47,002,444	590,512,259	-	2,070,995,018
As at 31 December 2020	1,638,738,526	17,351,813	3,689,471	47,392,279	436,083,821	-	2,143,255,909

DIANAROSE LOGISTICS COMPANY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 NOTES

	2022 <u>TZS</u>	2021 <u>TZS</u>
11 INTANGIBLE ASSETS		
Cost:		
At the beginning of the year	168,811,672	78,844,189
Additions	-	89,967,482
At the end of the year	<u>168,811,672</u>	<u>168,811,672</u>
Amortization:		
At the beginning of the year	46,377,405	15,768,838
Charge for the year	33,762,334	30,608,567
At the end of the year	<u>80,139,739</u>	<u>46,377,405</u>
Net Book Value:		
At the beginning of the year	122,434,267	63,075,352
At the end of the year	<u>88,671,933</u>	<u>122,434,267</u>
12 CASH AND BANK BALANCES		
Cash in hand	20,554,430	26,999,085
Bank balances	2,615,493,100	730,349,181
	<u>2,636,047,530</u>	<u>757,348,265</u>
13 TRADE AND OTHER RECEIVABLES		
Trade receivables	1,586,086,984	1,294,114,501
	<u>1,586,086,984</u>	<u>1,294,114,501</u>
14 TRADE AND OTHER PAYABLES		
Trade payables	3,681,019,680	1,643,541,663
Accrued payables	21,776,553	16,462,646
Provision for audit fees	3,000,000	3,465,000
	<u>3,705,796,233</u>	<u>1,663,469,310</u>
15 OTHER TAX PAYABLE		
Opening balance	-	243,000,001
Assessed during the year	115,149,397	-
Release of recoverable income tax	(45,000,000)	-
Settlement made during the year	(41,565,809)	(243,000,001)
	<u>28,583,588</u>	<u>-</u>

The Tanzania Revenue Authority "the TRA" completed its audit of the Company's tax affairs for the year of income 2020. The TRA issues assessment for various taxes including corporate tax, VAT and withholding tax totaling to TZS 115,149,397. However, in the said year of income, the Company had paid an amount of TZS 45,000,000 by way of instalment on estimated tax. Therefore, additional liability from TRA audit was TZS 70,149,397, this additional liability is being settled in instalments. As at 31 December 2022, a total of TZS 41,565,809 was remitted to the TRA against this liability.

DIANAROSE LOGISTICS COMPANY LIMITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022
 NOTES

	2022	2021
	<u>TZS</u>	<u>TZS</u>
16 BORROWINGS		
Opening balance	-	-
Addition during the year	535,751,871	-
Accrued interest	16,790,919	-
Loan repayment	(27,108,717)	-
Interest payment	(16,790,919)	-
Closing balance	<u>508,643,153</u>	<u>-</u>

In the month of September, the business into two agreements with BOA and secured two term loans. (i) a three years loan amounting to TZS 504,000,000; and (ii) a twelve-months loan amounting to TZS 31,751,871. Both loans were at 19% interest. All instalments due for the year were services as required.

17 DEFERRED TAX		
Tax Losses	117,802,960	187,520,840
Temporary differences on accelerated capital allowances	4,194,389	1,416,370
Origination and reversal of other temporary differences	-	-
Total Deferred Tax Provision	<u>121,997,349</u>	<u>188,937,210</u>
Movement in deferred tax		
At 1 January	188,937,210	96,101,885
(Charged)/Credited to profit and loss	26,012,024	92,835,325
Under/(over) provision in prior year deferred tax	(92,951,886)	-
As at 31 December	<u>121,997,349</u>	<u>188,937,210</u>

18 Capital commitment
 As at 31 December 2022, the Company did not have contractual commitments for any capital expenditure.

19 Contingent liabilities and other commitments
 As at the end reporting period, there was no pending or unresolved petitions against the Company. Even for unforeseen events of such nature, the Directors are confident that the Company's position will always be strong, and it is not possible to estimate any potential liability, if any, at this stage.

20 Events subsequent to the end of the period
 At the date of signing the financial statements, the Directors are not aware of any other matter or circumstance arising since the end of the financial period, not otherwise dealt with in these financial statements, which significantly affected the financial position of the Company and results of its operations.