

KLEB COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfeild Street,
P.O. Box 7286, Dar Es Salaam*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

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Company information

Board of directors	Names	Nationality
	Abdallah Ahmed Mbarak	Tanzanian
	Salmin Ahmed Mbarak	Tanzanian
	Sabri Ahmed Mbarak	Tanzanian

Registered office

Plot No. 87, Chang'ombe
P.O.Box 12117
Dar es Salaam
Tanzania

Principal bankers

Stanbic Bank Tanzania Limited
Dar es Salaam
Tanzania.

NCBA Bank Tanzania Limited
Dar es Salaam
Tanzania.

Independent Practitioner

Assad Associates
Certified Public Accountants
Mansfield/ Bridge street
P O Box 7286
Dar es Salaam
Tanzania

Company Secretary

Abdallah Ahmed Mbarak
Plot No. 440,
P.O.Box 12117
Dar es Salaam
Tanzania

REPORT OF THE DIRECTORS (CONTINUED)

INDEPENDENT PRACTITIONER

The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year ended 31 December 2021 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Abdallah Ahmed Mbarak
Director

_____ 2021



Salmin Ahmed Mbarak
Director

_____ 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year the results of its operation and cash flows for the year then ended, in conformity with the International Financial Reporting Standards for Small and Medium-Sized entities (IFRS for SME's) and that they are free from material misstatement whether due to fraud or error.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

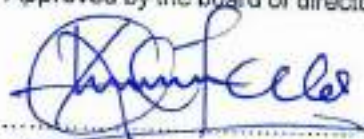
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2021 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 31 December 2020 and of its profit 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 Tanzania Companies Act 2002.

Approved by the board of directors and signed on its behalf by:



Abdallah Ahmed Mbarak
Director

.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF KLEB COMPANY LIMITED

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's 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 under Directors Responsibility statement on an earlier page.

I Newton Mathew being the Head of Accounting of Kleb Company Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 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 Kleb Company Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Mathew

Position: outsourced consultant

NBAA Membership No: Acpa 2837



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF KLEB COMPANY LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Kleb company Limited based on information you have provided. These financial statements comprise the statement of financial position of Kleb company Limited as at 31st December 2020, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (revised), Compilation engagements.

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's)

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the Company's transactions have been reflected correctly in the records provided to us.

**FOR : ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

Signed by: Sajjad Jusab
FCPA 216

30.07.2021
Date

Place : Dar es Salaam

Samora Tower, Mezzanine 2nd Floor (M2), Corner of Bridge & Mansfield Street,
Opp. Saint Joseph Church, P.O. Box 7286, Dar Es Salaam, Tanzania.


+255 22 2115688/2114081 +255 788 331 331 ✉ assad@assad.co.tz 🌐 www.assad.co.tz

STATEMENT OF PROFIT OR LOSS

	Notes	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
Revenue	1	17,777,551,829	20,664,109,650
Direct and other related cost	2	<u>(16,327,125,562)</u>	<u>(19,497,832,571)</u>
Gross income		1,450,426,267	1,166,277,079
Other Income	3	141,138,629	(18,778,750)
Administrative costs	4	(1,012,271,360)	(786,714,139)
Finance cost	5	<u>(412,290,396)</u>	<u>(234,638,189)</u>
Profit/(loss) before tax		167,003,140	126,146,003
Tax charge	6	<u>(50,100,942)</u>	<u>(41,028,750)</u>
Profit/(loss) for the year		<u>116,902,198</u>	<u>85,117,253</u>

STATEMENT OF FINANCIAL POSITION

	Notes	2020 T.SHS	2019 T.SHS
ASSETS			
Non-current assets			
Equipment	7	10,344,064,353	11,025,367,158
		<u>10,344,064,353</u>	<u>11,025,367,158</u>
Current assets			
Taxation	9	50,000,000	(1,028,750)
Trade and other receivables	10	4,234,095,502	4,093,101,628
Cash and cash equivalents	11	88,826,279	167,164,432
		<u>4,372,921,781</u>	<u>4,259,237,309</u>
TOTAL ASSETS		<u>14,716,986,133</u>	<u>15,284,604,469</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000,000	100,000,000
Retained losses		(1,194,355,455)	(1,145,992,261)
		<u>(1,094,355,455)</u>	<u>(1,045,992,261)</u>
Current liabilities			
Trade and other payables	13	8,106,356,593	8,981,883,853
		<u>8,106,356,593</u>	<u>8,981,883,853</u>
Long Term Liabilities			
Borrowings	14	7,654,884,054	7,348,712,876
Deferred tax	8	50,100,942	-
		<u>7,704,984,996</u>	<u>7,348,712,876</u>
TOTAL EQUITY AND LIABILITIES		<u>14,716,986,133</u>	<u>15,284,604,468</u>


Samin Ahmed Mbarak
Director

STATEMENT OF CHANGES IN EQUITY

	Share Capital <u>T.SHS</u>	Retained Losses <u>T.SHS</u>	Total <u>T.SHS</u>
Year ended 31 December 2020			
At start of year	100,000,000	(1,145,992,261)	(1,045,992,261)
Profit for the year	-	116,902,198	116,902,198
Prior year taxes	-	(165,265,392)	(165,265,392)
At end of year	<u>100,000,000</u>	<u>(1,194,355,455)</u>	<u>(1,094,355,455)</u>
Year ended 31 December 2019			
At start of year	100,000,000	(524,198,046)	(424,198,046)
Loss for the year	-	85,117,253	85,117,253
Prior year taxes	-	(706,911,468)	(706,911,468)
At end of year	<u>100,000,000</u>	<u>(1,145,992,261)</u>	<u>(1,045,992,261)</u>

STATEMENT OF CASH FLOW

	Notes	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
Cash flow from operating activities			
Profit for the year		167,003,140	126,146,003
<i>Adjustment for:</i>			
Depreciation	7	<u>3,022,412,575</u>	<u>2,671,961,280</u>
Profit before changes in working capital		3,189,415,715	2,798,107,283
<i>Changes in working capital</i>			
Trade and other receivables		(140,993,874)	(206,279,383)
Trade and other payable		<u>(875,527,260)</u>	<u>2,265,198,071</u>
<i>Cash generated from/(used in) operations</i>		2,172,894,581	4,857,025,971
Tax paid for prior year		(165,265,392)	(706,064,337)
Tax paid for current year		<u>(51,028,750)</u>	<u>(40,000,000)</u>
Net cash generated from operating activities		<u>1,956,600,439</u>	<u>4,110,961,634</u>
Cash flows from investing activities			
Acquisition of fixed assets	7	(2,453,043,586)	(4,127,988,920)
Proceeds from disposal		<u>111,933,817</u>	<u>-</u>
Net cash generated from/(used in) investing activities		<u>(2,341,109,769)</u>	<u>(4,127,988,920)</u>
Cash flows from financing activities			
Term Loan		306,171,178	46,525,402
Proceeds from shares		-	-
Net cash generated from/(used in) financing activities		<u>306,171,178</u>	<u>46,525,402</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>		(78,338,152)	29,498,117
Cash and cash equivalents at start of year		<u>167,164,432</u>	<u>137,666,314</u>
Cash and cash equivalents at end of year	11	<u>88,826,279</u>	<u>167,164,432</u>

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 the years presented, unless otherwise stated.

1a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities, and the requirements of the Companies Act of United Republic of Tanzania. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings.

1b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and volume rebates.

1c) Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

1d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period:

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii) Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1e) Equipment

Equipment are tangible items that:

- i) Are held for use in the supply of services and for administrative purpose.
- ii) Are expected to be used for more than one period.

Items of equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

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

Depreciation is provided using the reducing balance method to write down the cost less estimated residual value over the useful life of property and equipment. The following annual rates are used for the depreciation of property and equipment.

Items	Rates
Computer and Accessories	37.5%
Trucks and Trailers	25%
Furniture and Fittings	12.5%
Motor Vehicle	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1f) Impairment of asset

At each reporting date, the company assesses whether there is any indication that any asset (or group of related assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, this does not apply to impairment losses allocated to goodwill, the reversal of which is prohibited by the standard.

1g) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

Trade and other receivables

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.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

1h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

1i) Share capital

Ordinary shares are classified as equity.

1j) Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution plans are expensed as they fall due. The company and its employees contribute to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act.

1k) Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1l) Borrowings

Borrowings are initially recognised at fairvalue, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired and its costs are expensed in the year in which they are incurred.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

1m) Comparatives

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

2) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) equipment

Critical estimates are made by the directors in determining depreciation rates for equipment. The depreciation rates used are set out in the respective accounting policy under equipment.

(ii) Income taxes

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
1 Revenue		
Transportation income	17,777,551,829	20,664,109,650
	<u>17,777,551,829</u>	<u>20,664,109,650</u>
2 Direct and Other Related Cost		
COMESA	54,817,000	-
Container Seal	53,356,779	-
Fleet tracking subscription	61,834,311	51,703,840
Interchange charges	140,900,000	70,020,000
Motor vehicle depreciation	3,018,527,129	2,668,643,238
Motor vehicle fuels, diesels, gas and oil	8,252,643,108	11,202,124,862
Motor vehicle insurance	110,861,847	339,326,853
Motor vehicle spares and repairs	827,672,548	1,057,782,164
Motor vehicle tires and tubes	539,016,748	498,247,926
Parking fees	26,331,200	-
Road toll	1,365,316,800	1,337,238,400
Road Licenses and permits	88,263,092	12,577,142
Sumatra fees	13,865,000	40,956,000
Transport, travelling and millage	1,772,120,000	2,173,784,000
Tanzania Truck Owners Association	1,600,000	-
Weights, measures and certificates	-	45,428,146
	<u>16,327,125,562</u>	<u>19,497,832,571</u>
3 Other Income		
Exchange gain	843,850	7,094,250
Gain on disposal/(Loss)	10,147,876	(25,873,000)
Insurance claim	130,146,903	-
	<u>141,138,629</u>	<u>(18,778,750)</u>
4 Administrative costs		
Accountancy fees	2,000,000	2,000,000
Bank charges	34,564,059	46,849,650
Business License	200,000	270,000
City service levy	14,955,794	10,434,060
Cleaning expenses	7,370,494	11,712,461
Depreciation	3,885,445	3,318,042
Electricity and water	14,360,116	11,689,062
Employment costs (Note 4a)	827,475,327	565,442,343
Fines and penalties	1,548,473	3,829,418
Filling fees	34,500	-
Inspection fees	1,019,000	100,000
Medical Expenses	4,894,800	4,089,012
Printing and stationery	9,443,316	15,155,931
Refuse Collection	1,320,000	1,440,000
Rent	18,000,000	18,000,000
Repairs and maintenance	60,249,835	79,273,320
Security Charges	2,064,400	2,160,090
Stamp duty	180,000	180,000
Telephone, Internet and Postage	8,705,800	10,770,750
Total administrative costs	<u>1,012,271,360</u>	<u>786,714,139</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
4a Employment costs		
Directors remuneration	36,000,000	36,000,000
NSSF contribution	64,650,000	46,245,000
NSSF errors	7,640,000	-
Salaries and wages	610,500,000	426,450,000
Skills and Development Levy	27,398,500	20,245,500
Staff welfare	73,621,827	31,877,843
Staff training	1,200,000	-
Workers compensation fund	6,465,000	4,624,000
	<u>827,475,327</u>	<u>565,442,343</u>
5 Finance cost		
Bank Interest Charges	256,804,322	230,500,147
Legal fees for loan	17,486,074	-
Interest on loan	138,000,000	4,138,042
	<u>412,290,396</u>	<u>234,638,189</u>
6 Tax expense		
Current tax	-	41,028,750
Deferred tax (credit)/charge (Note 8)	50,100,942	-
Tax credit	<u>50,100,942</u>	<u>41,028,750</u>
Reconciliation of tax expense		
Profit before tax	167,003,140	126,146,003
Tax calculated at a tax rate of 30% (2019: 30%)	50,100,942	37,843,801
Tax effect of:		
Deferred tax not recognised	-	3,184,949
Tax (credit)/charge	<u>50,100,942</u>	<u>41,028,750</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Property & equipment

	Computer and Accessories I.SHS	Trucks and Trailers I.SHS	Furniture and Equipments I.SHS	Motor Vehicles I.SHS	Heavy duty Motor Vehicle I.SHS	Motor Vehicle class I I.SHS	Total I.SHS
Year ended 31 December 2020							
Cost							
As at 1 January 2020	2,405,000	15,193,739,756	28,853,124	301,802,865	418,047,830	102,395,520	16,047,244,095
Additions	3,220,339	2,449,823,247	-	(18,220,821)	-	-	2,453,043,586
Disposal	-	(93,712,996)	-	-	-	-	(111,933,817)
As at 31 December 2020	5,625,339	17,549,850,007	28,853,124	283,582,044	418,047,830	102,395,520	18,388,353,864
Depreciation							
As at 1 January 2020	901,875	4,506,537,059	11,939,952	154,713,552	338,184,919	9,599,580	5,021,875,937
Charge for the year	1,771,299	2,926,990,596	2,114,146	36,772,328	19,965,728	34,798,478	3,022,412,575
Disposal	-	-	-	-	-	-	-
As at 31 December 2020	2,673,174	7,433,527,655	14,054,099	191,485,880	358,150,647	44,398,058	8,044,289,512
Net Book Value							
As at 31 December 2020	2,952,165	10,116,322,352	14,799,025	92,096,164	59,897,183	57,997,463	10,344,064,353
Year ended 31 December 2019							
Cost							
As at 1 January 2019	2,405,000	11,168,146,356	28,853,124	301,802,865	418,047,830	-	11,919,255,175
Additions	-	4,025,593,400	-	-	-	102,395,520	4,127,988,920
As at 31 December 2019	2,405,000	15,193,739,756	28,853,124	301,802,865	418,047,830	102,395,520	16,047,244,095
Depreciation							
As at 1 January 2019	-	1,923,144,142	9,523,785	105,683,781	311,563,948	-	2,349,915,656
Charge for the year	901,875	2,583,392,917	2,416,167	49,029,771	26,620,970	9,599,580	2,671,961,261
As at 31 December 2019	901,875	4,506,537,059	11,939,952	154,713,552	338,184,919	9,599,580	5,021,875,937
Net Book Value							
As at 31 December 2019	1,503,125	10,687,202,697	16,913,172	147,089,313	79,862,911	92,795,940	11,025,367,158

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>	
8 Deferred tax			
Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2019: 30%). The movement on the deferred tax			
At start of year	-	-	
Deferred tax credit (Note 6)	50,100,942	-	
At end of year	<u>50,100,942</u>	<u>-</u>	
Deferred tax (asset), deferred tax (credit) in the statement of profit or loss are attributable to the following items:			
	At start of year <u>T.SHS.</u>	Credit/charge to SPL <u>T.SHS.</u>	At end of year <u>T.SHS.</u>
Year ended 31 December 2020			
Deferred tax (asset)			
Excess capital allowances over depreciation	-	91,403,781	91,403,781
Tax losses	-	(41,302,839)	(41,302,839)
Net deferred tax (asset)	<u>-</u>	<u>50,100,942</u>	<u>50,100,942</u>
9 Taxation			
Balance brought forward		1,028,750	-
Add: Corporation Tax		-	41,028,750
Less: Tax Paid during the year		1,028,750	41,028,750
		51,028,750	40,000,000
		<u>(50,000,000)</u>	<u>1,028,750</u>
10 Trade & other receivables			
Advance to Suppliers		315,137,325	128,658,898
VAT Control		1,105,633,943	3,050,128,056
VAT Claim		2,190,721,134	-
Trade receivables		622,603,100	914,314,674
		<u>4,234,095,502</u>	<u>4,093,101,628</u>
11 Cash and cash equivalents			
Cash in hand		54,523,592	1,316,368
Cash at bank		34,302,687	165,848,064
		<u>88,826,279</u>	<u>167,164,432</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
12 Share capital		
Authorised:		
10,000 (2019: 10,000 shares) ordinary shares of TShs 10,000 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
10,000 (2019: 10,000 shares) ordinary shares of TShs 10,000 each	<u>100,000,000</u>	<u>100,000,000</u>
13 Trade and other payables		
Accrued Charges	27,289,200	11,482,200
Trade payables	8,079,067,393	8,970,401,653
	<u>8,106,356,593</u>	<u>8,981,883,853</u>
14 Borrowings		
a) Great Lakes	2,700,298,592	3,283,336,107
b) Stanbic Bank Tanzania Limited	2,924,024,398	3,187,537,678
c) Commercial bank of Africa	2,030,561,064	877,839,091
	<u>7,654,884,054</u>	<u>7,348,712,876</u>

- (a) The above loan has been acquired from related party with an effective interest rate of 5% per annum
- (b) The company has acquired a vehicle and asset financing facility amounting to \$1,281,317/- and Letter of Credit with a limit of \$ 601,600/- for the purpose of working capital and operating requirements from Stanbic Bank
- Interest rate:
- | | |
|--------------------------------------|-----|
| Vehicle and asset financing facility | 10% |
| Letter of Credit Limit | 9% |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Contingent liability

As at 31 December 2020, the Company had no litigations.

16 Subsequent event

There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.

17 Capital Commitments

As at 31 December 2020, the Company had no capital expenditure contracted or accrued.

KLEB COMPANY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfield Street,
P.O. Box 7286, Dar Es Salaam.*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

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Company information

Board of directors	Names Abdallah Ahmed Mbarak Salmin Ahmed Mbarak Sabri Ahmed Mbarak	Nationality Tanzanian Tanzanian Tanzanian
Registered office	Plot No. 87, Chang'ombe P.O.Box 12117 Dar es Salaam Tanzania	
Principal bankers	Stanbic Bank Tanzania Limited Dar es Salaam Tanzania. NCBA Bank Tanzania Limited Dar es Salaam Tanzania.	
Independent Practitioner	Assad Associates Certified Public Accountants Mansfield/ Bridge street P O Box 7286 Dar es Salaam Tanzania	
Company Secretary	Abdallah Ahmed Mbarak Plot No. 440, P.O.Box 12117 Dar es Salaam Tanzania	

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 December 2021 which disclose the state of affairs of the company.

INCORPORATION

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of Providing Transportation service.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors who held office during the year and at the date of this report are shown as follows:

Names	Position
Abdallah Ahmed Mbarak	Director
Salmin Ahmed Mbarak	Director
Sabri Ahmed Mbarak	Director

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

CORPORATE GOVERNANCE

The Board of Directors consists of three directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability to ensure high standards of corporate governance throughout the company.

SHARE CAPITAL

The authorised and issued share capital of the company is shown on Note 12 of the financial statements. The shareholders of the company with their respective shareholdings is as follows:

Name of the shareholders	No of shares held	Shareholding
Abdallah Ahmed Mbarak	3,000	30.00%
Salmin Ahmed Mbarak	3,000	30.00%
Sabri Ahmed Mbarak	1,000	10.00%
Fahmy Ahmed Mbarak	1,000	10.00%
Hilmi Ahmed Mbaraka	1,000	10.00%
Lutfi Ahmed Binkleb	1,000	10.00%
	10,000	100%

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2021 T.SHS	2020 T.SHS
Profit before tax	436,258,501	167,003,141
Tax charge	<u>(131,768,423)</u>	<u>(50,100,942)</u>
Profit for the year	<u>304,490,078</u>	<u>116,902,199</u>

DIVIDEND

The directors do not recommend the declaration of a dividend for the year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management 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 behaviours 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 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 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 2021 and is of the opinion that they met the expected criteria.

The Board carries risk and internal control assessment through board meetings and the Senior Management meetings, on regular basis.

GOING CONCERN AND SOLVENCY STATUS

During the year ended 31st December 2021, the company had shareholder deficit of Tshs 1,194,623,583/- (2020:Tshs 1,094,355,454) and it had net current liabilities amounting to Tshs 4,878,054,455/- (2020:Tshs 3,733,434,813). The shareholders have undertaken to continue to finance the company to meet its financial needs for the foreseeable future. Based on the above, the directors have considered it appropriate to prepare these financial statements on the going concern basis.

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Kleb Company Limited has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 December 2021. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.


The company 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.

REPORT OF THE DIRECTORS (CONTINUED)

INDEPENDENT PRACTITIONER

The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year ended 31 December 2022 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Abdallah Ahmed Mbarak
Director

24.06.2022



Salmin Ahmed Mbarak
Director

24.06.2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year the results of its operation and cash flows for the year then ended, in conformity with the International Financial Reporting Standards for Small and Medium-Sized entities (IFRS for SME's) and that they are free from material misstatement whether due to fraud or error.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

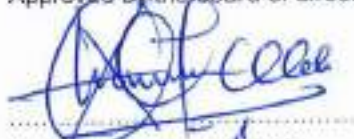
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2022 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 31 December 2021 and of its profit 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 Tanzania Companies Act 2002.

Approved by the board of directors and signed on its behalf by:



Abdallah Ahmed Mbarak
Director

24.06.2022

Date

DECLARATION OF THE HEAD OF ACCOUNTING OF KLEB COMPANY LIMITED

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's 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 under Directors Responsibility statement on an earlier page.

I, Neelam Mathew being the Head of Accounting of Kleb Company Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 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 Kleb Company Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Neelam Mathew

Position: Outsourced consultant

NBAA Membership No: Apca 2837



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF KLEB COMPANY LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Kleb Company Limited based on information you have provided. These financial statements comprise the statement of financial position of Kleb Company Limited as at 31st December 2021, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (revised), Compilation engagements.

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's)

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the Company's transactions have been reflected correctly in the records provided to us.

FOR : ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Signed by: Sajjad Jusab
FCPA 216

Date

25-06-2022


Place : Dar es Salaam

STATEMENT OF PROFIT OR LOSS

	Notes	2021 T.SHS	2020 T.SHS
Revenue	1	22,240,097,107	17,777,551,829
Direct and other related cost	2	<u>(20,425,924,130)</u>	<u>(16,327,125,562)</u>
Gross income		1,814,172,977	1,450,426,267
Other Income	3	30,174,323	141,138,629
Administrative costs	4	(1,091,648,492)	(1,012,271,359)
Finance cost	5	<u>(316,440,307)</u>	<u>(412,290,396)</u>
Profit before tax		436,258,501	167,003,141
Tax charge	6	<u>(131,768,423)</u>	<u>(50,100,942)</u>
Profit for the year		<u>304,490,078</u>	<u>116,902,199</u>

STATEMENT OF FINANCIAL POSITION

	Notes	2021 T.SHS	2020 T.SHS
ASSETS			
Non-current assets			
Equipment	7	11,812,068,941	10,344,064,353
		<u>11,812,068,941</u>	<u>10,344,064,353</u>
Current assets			
Taxation	9	50,000,000	50,000,000
Trade and other receivables	10	4,753,048,664	4,234,095,502
Cash and cash equivalents	11	39,557,808	88,826,279
		<u>4,842,604,472</u>	<u>4,372,921,780</u>
TOTAL ASSETS		<u>16,654,673,413</u>	<u>14,716,986,135</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000,000	100,000,000
Retained losses		(1,295,514,456)	(1,194,355,454)
		<u>(1,195,514,456)</u>	<u>(1,094,355,454)</u>
Current liabilities			
Trade and other payables	13	9,720,658,927	8,106,356,593
		<u>9,720,658,927</u>	<u>8,106,356,593</u>
Long Term Liabilities			
Borrowings	14	7,947,659,577	7,654,884,054
Deferred tax	8	181,869,365	50,100,942
		<u>8,129,528,942</u>	<u>7,704,984,996</u>
TOTAL EQUITY AND LIABILITIES		<u>16,654,673,413</u>	<u>14,716,986,135</u>


 Salmin Ahmed Mbarak
 Director

STATEMENT OF CHANGES IN EQUITY

	Share Capital <u>T.SHS</u>	Retained Losses <u>T.SHS</u>	Total <u>T.SHS</u>
Year ended 31 December 2021			
At start of year	100,000,000	(1,194,355,454)	(1,094,355,454)
Profit for the year	-	304,490,078	304,490,078
Prior year taxes	-	(405,649,080)	(405,649,080)
At end of year	<u>100,000,000</u>	<u>(1,295,514,456)</u>	<u>(1,195,514,456)</u>
Year ended 31 December 2020			
At start of year	100,000,000	(1,145,992,261)	(1,045,992,261)
Profit for the year	-	116,902,199	116,902,199
Prior year taxes		(165,265,392)	(165,265,392)
At end of year	<u>100,000,000</u>	<u>(1,194,355,454)</u>	<u>(1,094,355,454)</u>

STATEMENT OF CASH FLOW

	Notes	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
Cash flow from operating activities			
Profit for the year		436,258,501	167,003,141
<i>Adjustment for:</i>			
Depreciation	7	<u>3,107,061,767</u>	<u>3,022,412,575</u>
Profit before changes in working capital		3,543,320,268	3,189,415,716
<i>Changes in working capital</i>			
Trade and other receivables		(518,951,162)	(140,993,874)
Trade and other payable		<u>1,614,302,334</u>	<u>(875,527,260)</u>
<i>Cash generated from/used in) operations</i>		4,638,671,440	2,172,894,582
Tax paid for prior year		(355,649,080)	(165,265,392)
Tax paid for current year		<u>(50,000,000)</u>	<u>(51,028,750)</u>
Net cash generated from operating activities		<u>4,233,022,361</u>	<u>1,956,600,440</u>
Cash flows from investing activities			
Acquisition of fixed assets	7	(4,645,351,102)	(2,453,043,586)
Proceeds from disposal		<u>70,284,747</u>	<u>111,933,817</u>
Net cash generated from/used in) investing activities		<u>(4,575,066,355)</u>	<u>(2,341,109,769)</u>
Cash flows from financing activities			
Term Loan		292,775,523	306,171,178
Proceeds from shares		-	-
Net cash generated from financing activities		<u>292,775,523</u>	<u>306,171,178</u>
<i>Net (decrease) in cash and cash equivalents</i>		(49,268,470)	(78,338,153)
Cash and cash equivalents at start of year		<u>88,826,279</u>	<u>167,164,432</u>
Cash and cash equivalents at end of year	11	<u>39,557,808</u>	<u>88,826,279</u>

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 the years presented, unless otherwise stated.

1a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities, and the requirements of the Companies Act of United Republic of Tanzania. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings.

1b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and volume rebates.

1c) Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

1d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period:

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii) Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1e) Property and equipment

Property and equipment are tangible items that:

- i) Are held for use in the supply of services and for administrative purpose.
- ii) Are expected to be used for more than one period.

Items of property & equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

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

Depreciation is provided using the reducing balance method to write down the cost less estimated residual value over the useful life of property and equipment. The following annual rates are used for the depreciation of property and equipment.

Items	Rates
Computer and Accessories	37.5%
Trucks and Trailers	25%
Furniture and Fittings	12.5%
Motor Vehicle	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1f) Impairment of asset

At each reporting date, the company assesses whether there is any indication that any asset (or group of related assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, this does not apply to impairment losses allocated to goodwill, the reversal of which is prohibited by the standard.

1g) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

Trade and other receivables

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.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

1h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

1i) Share capital

Ordinary shares are classified as equity.

1j) Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution plans are expensed as they fall due. The company and its employees contribute to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act.

1k) Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1l) Inventory

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first in first out (FIFO) method. Net realisable value is the estimated selling price less any other costs necessary to make the sale. The value of inventory is determined by the Directors of the Company.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1m) Borrowings

Borrowings are initially recognised at fairvalue, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired and its costs are expensed in the year in which they are incurred.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

1n) Comparatives

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

2) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Property and equipment

Critical estimates are made by the directors in determining depreciation rates for property and equipment. The depreciation rates used are set out in the respective accounting policy under property and equipment.

(ii) Income taxes

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS		2021	2020
		T.SHS	T.SHS
1 Revenue			
Transportation income		22,240,097,107	17,777,551,829
		22,240,097,107	17,777,551,829
2 Direct and Other Related Cost			
COMESA		80,558,022	54,817,000
Container Seal		77,142,234	53,356,779
Fleet tracking subscription		75,226,183	61,834,311
Handaling charges		6,469,500	-
Interchange charges		850,000	140,900,000
Motor vehicle depreciation		3,103,730,955	3,018,527,129
Motor vehicle fuels, diesels, gas and oil		11,268,819,080	8,252,643,108
Motor vehicle insurance		383,292,616	110,861,847
Motor vehicle spares and repairs		911,328,626	827,672,548
Motor vehicle tires and tubes		605,832,922	539,016,748
Parking fees		855,000	26,331,200
Road toll		1,500,609,608	1,365,316,800
Road Licenses and permits		118,009,065	88,263,092
Sumatra fees		28,698,720	13,865,000
Transport, travelling and millage		2,262,901,600	1,772,120,000
Tanzania Truck Owners Association		1,600,000	1,600,000
		20,425,924,130	16,327,125,562
3 Other Income			
Exchange gain		5,871,570	843,850
Gain on disposal		24,302,753	10,147,876
Insurance claim		-	130,146,903
		30,174,323	141,138,629
4 Administrative costs			
Accountancy fees		4,000,000	2,000,000
Bank charges		40,562,498	34,564,059
Business License and permit		473,100	200,000
City service levy		16,247,138	14,955,794
Cleaning expenses		6,818,226	7,370,494
Depreciation		3,330,812	3,885,445
Electricity and water		14,797,823	14,360,116
Employment costs (Note 4a)		883,815,397	827,475,327
Fines and penalties		2,969,575	1,548,473
Filing fees		44,000	34,500
Inspection fees		150,000	1,019,000
Medical Expenses		3,867,650	4,894,800
Printing and stationery		2,795,997	9,443,316
Refuse Collection		1,569,600	1,320,000
Rent		18,000,000	18,000,000
Repairs and maintenance		80,008,687	60,249,635
Security Charges		2,149,990	2,064,400
Stamp duty		180,000	180,000
Telephone, Internet and Postage		9,868,000	8,705,800
Total administrative costs		1,091,648,492	1,012,271,359

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
4a Employment costs		
Directors remuneration	130,500,000	108,000,000
NSSF contribution	70,530,000	64,650,000
NSSF errors	-	7,640,000
Salaries and wages	574,800,000	538,500,000
Skills and Development Levy	27,680,000	27,398,500
Staff welfare	74,739,597	73,621,827
Staff training	-	1,200,000
Workers compensation fund	5,565,800	6,465,000
	<u>883,815,397</u>	<u>827,475,327</u>
5 Finance cost		
Bank interest charges	208,909,518	256,804,322
Legal fees for loan	7,015,859	17,486,074
Interest on loan	100,514,930	138,000,000
	<u>316,440,307</u>	<u>412,290,396</u>
6 Tax expense		
Current tax	-	-
Deferred tax (credit)/charge (Note 7)	131,768,423	50,100,942
Tax credit	<u>131,768,423</u>	<u>50,100,942</u>
Reconciliation of tax expense		
Profit before tax	436,258,501	167,003,141
Tax calculated at a tax rate of 30% (2020: 30%)	130,877,550	50,100,942
Tax effect of:		
Expenses not subject to tax	890,873	-
Tax (credit)/charge	<u>131,768,423</u>	<u>50,100,942</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Equipments

	Computer and Accessories	Trucks and Trailers	Furniture and Equipments	Motor Vehicles	Heavy duty Motor Vehicle	Motor Vehicle class I	Motor Bike	Total
	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>
Year ended 31 December 2021								
Cost								
As at 1 January 2021	5,625,339	17,549,850,007	28,853,124	283,582,044	418,047,830	102,395,520	-	18,388,353,864
Additions	930,000	4,040,032,837	-	-	-	602,023,858	2,364,407	4,645,351,102
Disposal	-	(97,787,474)	-	-	-	-	-	(97,787,474)
As at 31 December 2021	6,555,339	21,492,095,370	28,853,124	283,582,044	418,047,830	704,419,378	2,364,407	22,935,917,492
Depreciation								
As at 1 January 2021	2,673,174	7,433,527,655	14,054,099	191,485,880	358,150,647	44,398,058	-	8,044,289,512
Charge for the year	1,136,124	2,949,917,342	1,849,878	23,024,041	14,974,296	115,815,276	344,809	3,107,051,767
Disposal	-	(27,502,727)	-	-	-	-	-	(27,502,727)
As at 31 December 2021	3,809,298	10,355,942,270	15,903,977	214,509,921	373,124,942	160,213,334	344,809	11,123,848,552
Net Book Value								
As at 31 December 2021	2,746,041	11,136,153,100	12,949,147	69,072,123	44,922,888	544,206,044	2,019,598	11,812,068,941
Year ended 31 December 2020								
Cost								
As at 1 January 2020	2,405,000	15,193,739,756	28,853,124	301,802,865	418,047,830	102,395,520	-	16,047,244,095
Additions	3,220,339	2,449,823,247	-	(18,220,821)	-	-	-	2,453,043,586
Disposal	-	(93,712,996)	-	-	-	-	-	(111,933,817)
As at 31 December 2020	5,625,339	17,549,850,007	28,853,124	283,582,044	418,047,830	102,395,520	-	18,388,353,864
Depreciation								
As at 1 January 2020	901,875	4,506,537,059	11,939,952	154,713,552	338,184,919	9,599,580	-	5,021,876,937
Charge for the year	1,771,299	2,926,990,598	2,114,146	36,772,328	19,965,728	34,798,478	-	3,022,412,575
As at 31 December 2020	2,673,174	7,433,527,655	14,054,099	191,485,880	358,150,647	44,398,058	-	8,044,289,512
Net Book Value								
As at 31 December 2020	2,952,165	10,116,322,352	14,799,025	92,096,164	59,897,183	57,997,463	-	10,344,064,353

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>	
8 Deferred tax			
Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2020: 30%). The movement on the deferred tax account is			
At start of year	50,100,942	-	
Deferred tax credit (Note 5)	131,768,423	50,100,942	
At end of year	<u>181,869,365</u>	<u>50,100,942</u>	
Deferred tax (asset), deferred tax (credit) in the statement of profit or loss are attributable to the following items:			
	At start of year <u>T.SHS</u>	Credit/charge to SPL <u>T.SHS</u>	At end of year <u>T.SHS</u>
Year ended 31 December 2021			
Deferred tax (asset)			
Excess capital allowances over depreciation	91,403,781	181,759,749	273,163,530
Tax losses	(41,302,839)	(49,991,326)	(91,294,165)
Net deferred tax liability	<u>50,100,942</u>	<u>131,768,423</u>	<u>181,869,365</u>
Year ended 31 December 2020			
Deferred tax (asset)			
Excess capital allowances over depreciation	91,403,781	91,403,781	91,403,781
Tax losses	(41,302,839)	(41,302,839)	(41,302,839)
Net deferred tax liability	<u>-</u>	<u>50,100,942</u>	<u>50,100,942</u>
9 Taxation			
Balance brought forward	(50,000,000)	1,028,750	-
Add: Corporation Tax	-	-	-
Prior year tax	405,649,080	-	-
	355,649,080	1,028,750	-
Less: Tax Paid during the year	50,000,000	51,028,750	-
Prior year tax paid	355,649,080	-	-
	<u>(50,000,000)</u>	<u>(50,000,000)</u>	<u>-</u>
10 Trade & other receivables			
Advance to Suppliers	-	-	315,137,325
Other receivables	2,087,767,312	-	1,105,633,943
Trade receivables	474,558,218	-	622,603,100
VAT Claim	2,190,721,134	-	2,190,721,134
	<u>4,753,046,664</u>	<u>4,234,095,502</u>	<u>-</u>
11 Cash and cash equivalents			
Cash in hand	4,992,904	-	54,523,592
Cash at bank	34,564,904	-	34,302,687
	<u>39,557,808</u>	<u>88,826,279</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)	2021 T.SHS	2020 T.SHS
12 Share capital		
Authorised:		
10,000 (2020: 10,000 shares) ordinary shares of TShs 10,000 each	100,000,000	100,000,000
Issued and fully paid:		
10,000 (2020: 10,000 shares) ordinary shares of TShs 10,000 each	100,000,000	100,000,000
13 Trade and other payables		
Accrued Charges	20,442,800	27,289,200
Trade payables	9,700,216,127	8,079,067,393
	<u>9,720,658,927</u>	<u>8,106,356,593</u>
14 Borrowings		
a) Great Lakes	2,110,813,522	2,700,298,592
b) Stanbic Bank Tanzania Limited	3,646,788,102	2,924,024,398
c) Commercial bank of Africa	2,190,057,953	2,030,561,064
	<u>7,947,659,577</u>	<u>7,654,884,054</u>

(a) The above loan has been acquired from related party with an effective interest rate of 5% per annum

(b) The company has acquired a vehicle and asset financing facility amounting to \$1,281,317/- and Letter of Credit with a limit of \$ 601,600/- for the purpose of working capital and operating requirements from Stanbic Bank Tanzania Limited.

Interest rate:

Vehicle and asset financing facility 10%

Letter of Credit Limit 9%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Going concern

During the year ended 31 December 2021, the Company had a net current liability of Tshs 4,878,054,455/- (2020:Tshs 3,733,434,813/-) and as at that date the Company had a shareholder deficit of TShs 1,195,514,456/- (2020:1,094,355,454/-)

The Company meets day to day working capital requirements through operating cashflows and related party borrowings. The shareholder's have undertaken to finance the company to meet its financial needs for the foreseeable future. Based on this, the directors have considered it appropriate to prepare the financial statements on a going concern basis.

16 Contingent liability

As at 31 December 2021, the Company had no litigations.

17 Subsequent event

There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.

18 Capital Commitments

As at 31 December 2021, the Company had no capital expenditure contracted or accrued.

KLEB COMPANY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfield Street,
P.O. Box 7286, Day Es Salaam*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

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Company information

Board of directors

Names	Nationality
Abdallah Ahmed Mbarak	Tanzanian
Salmin Ahmed Mbarak	Tanzanian
Sabri Ahmed Mbarak	Tanzanian

Registered office

Plot No. 87, Chang'ombe
P.O.Box 12117
Dar es Salaam
Tanzania

Principal bankers

Stanbic Bank Tanzania Limited
Dar es Salaam
Tanzania.

NCBA Bank Tanzania Limited
Dar es Salaam
Tanzania.

Independent practitioner

Assad Associates
Certified Public Accountants
Mansfield/ Bridge street
P O Box 7286
Dar es Salaam
Tanzania

Company secretary

Abdallah Ahmed Mbarak
Plot No. 440,
P.O.Box 12117
Dar es Salaam
Tanzania

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 December 2022 which disclose the state of affairs of the company.

INCORPORATION

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company is Transportation service.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors who held office during the year and at the date of this report are shown as follows:

Names	Position
Abdallah Ahmed Mbarak	Director
Salmin Ahmed Mbarak	Director
Sabri Ahmed Mbarak	Director

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

CORPORATE GOVERNANCE

The Board of Directors consists of three directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability to ensure high standards of corporate governance throughout the company.

SHARE CAPITAL

The authorised and issued share capital of the company is shown on Note 12 of the financial statements. The shareholders of the company with their respective shareholdings is as follows:

Name of the shareholders	No of shares held	Shareholding
Abdallah Ahmed Mbarak	3,000	30%
Salmin Ahmed Mbarak	3,000	30%
Sabri Ahmed Mbarak	1,000	10%
Fahmy Ahmed Mbarak	1,000	10%
Hilmi Ahmed Mbaraka	1,000	10%
Lutfi Ahmed Binkleb	1,000	10%
	10,000	100%

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2022 T.SHS	2021 T.SHS
Profit before tax	444,240,102	436,258,500
Tax charge	<u>(227,303,885)</u>	<u>(131,768,423)</u>
Profit for the year	<u>216,936,217</u>	<u>304,490,077</u>

DIVIDEND

The directors do not recommend the declaration of a dividend for the current year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management 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 behaviours 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 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 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 the expected criteria.

The Board carries risk and internal control assessment through board meetings and the Senior Management meetings, on regular basis.

GOING CONCERN AND SOLVENCY STATUS

During the year ended 31st December 2022, the company had shareholder deficit of Tshs 1,194,623,583/- (2021:Tshs 1,094,355,454) and it had net current liabilities amounting to Tshs 4,878,054,455/- (2021:Tshs 3,733,434,813). The shareholders have undertaken to continue to finance the company to meets its financial needs for the foreseeable future. Based on the above, the directors have considered it appropriate to prepare these financial statements on the going concern basis.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 December 2022. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

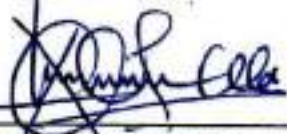
The company gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge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

REPORT OF THE DIRECTORS (CONTINUED)

INDEPENDENT PRACTITIONER

The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year ended 31 December 2023 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Abdallah Ahmed Mbarak
Director

_____ 2023



Salmin Ahmed Mbarak
Director

_____ 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year the results of its operation and cash flows for the year then ended, in conformity with the International Financial Reporting Standards for Small and Medium-Sized entities (IFRS for SME's) and that they are free from material misstatement whether due to fraud or error.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2023 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 31 December 2022 and of its profit 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 Tanzania Companies Act 2002.

Approved by the board of directors and signed on its behalf by:



Abdallah Ahmed Mbarak
Director

.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF KLEB COMPANY LIMITED

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's 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 under Directors Responsibility statement on an earlier page.

I Newton Mathew being the Head of Accounting of Kleb Company Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 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 Kleb Company Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Newton Mathew

NAME:	NEWTON MATHEW
POSITION	PROFESSIONAL ACCOUNTANT
NBAA Membership No:	
NBAA Reg. No	ACPA 2639



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF KLEB COMPANY LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Kleb Company Limited based on information you have provided. These financial statements comprise the statement of financial position of Kleb Company Limited as at 31st December 2022, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (revised), Compilation engagements.

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's)

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the Company's transactions have been reflected correctly in the records provided to us.

**FOR : ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

Signed by: *Sajjad Jusab*
FCPA 216
Certified Public Accountants and Tax Consultants

Date

19/06/2023

Place : Dar es Salaam

Samora Tower, Mezzanine 2nd Floor (M2), Corner of Bridge & Mansfield Street,
Opp. Saint Joseph Church, P.O.Box 7286, Dar Es Salaam, Tanzania.

+255 22 2115688/2114081 ☎ +255 788 331 331 ✉ assad@assad.co.tz www.assad.co.tz

STATEMENT OF PROFIT OR LOSS

	Notes	2022 <u>T.SHS</u>	2021 <u>T.SHS</u>
Revenue	1	29,846,893,289	22,240,097,107
Direct and other related cost	2	<u>(27,963,605,313)</u>	<u>(20,425,924,131)</u>
Gross income		1,883,287,976	1,814,172,976
Other Income	3	6,249,963	30,174,324
Administrative costs	4	(1,334,557,207)	(1,091,648,493)
Finance cost	5	<u>(110,740,630)</u>	<u>(316,440,307)</u>
Profit before tax		444,240,102	436,258,500
Tax charge	6	(227,303,885)	(131,768,423)
Profit for the year		<u>216,936,217</u>	<u>304,490,077</u>

STATEMENT OF FINANCIAL POSITION

	Notes	2022 T.SHS	2021 T.SHS
ASSETS			
Non-current assets			
Equipment	7	12,066,541,179	11,812,068,941
		<u>12,066,541,179</u>	<u>11,812,068,941</u>
Current assets			
Taxation	9	18,361,285	50,000,000
Trade and other receivables	10	3,490,477,633	4,753,046,664
Cash and cash equivalents	11	30,531,393	39,557,807
		<u>3,539,370,311</u>	<u>4,842,604,471</u>
TOTAL ASSETS		<u>15,605,911,490</u>	<u>16,654,673,412</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100,000,000	100,000,000
Retained losses		(1,333,863,461)	(1,295,514,457)
		<u>(1,233,863,461)</u>	<u>(1,195,514,457)</u>
Current liabilities			
Trade and other payables	13	14,295,827,786	9,720,658,927
		<u>14,295,827,786</u>	<u>9,720,658,927</u>
Long Term Liabilities			
Borrowings	14	2,191,412,630	7,947,659,577
Deferred tax	8	352,534,535	181,869,365
		<u>2,543,947,165</u>	<u>8,129,528,942</u>
TOTAL EQUITY AND LIABILITIES		<u>15,605,911,490</u>	<u>16,654,673,412</u>



Salmin Ahmed Mbarak
 Director

Date

STATEMENT OF CHANGES IN EQUITY

	Share Capital <u>T.SHS</u>	Retained Losses <u>T.SHS</u>	Total <u>T.SHS</u>
Year ended 31 December 2022			
At start of year	100,000,000	(1,295,514,457)	(1,195,514,457)
Profit for the year	-	216,936,217	216,936,217
Prior year taxes	-	(255,285,222)	(255,285,222)
At end of year	100,000,000	(1,333,863,461)	(1,233,863,461)
Year ended 31 December 2021			
At start of year	100,000,000	(1,194,355,454)	(1,094,355,454)
Profit for the year	-	304,490,077	304,490,077
Prior year taxes	-	(405,649,080)	(405,649,080)
At end of year	100,000,000	(1,295,514,457)	(1,195,514,457)

STATEMENT OF CASH FLOW

	Notes	2022 T.SHS	2021 T.SHS
Cash flow from operating activities			
Profit for the year		444,240,102	436,258,500
Adjustment for:			
Depreciation	7	3,406,131,365	3,107,061,766
Profit before changes in working capital		3,850,371,467	3,543,320,267
<i>Changes in working capital</i>			
Trade and other receivables		1,262,569,031	(518,951,162)
Trade and other payable		4,575,168,859	1,614,302,334
<i>Cash generated from/(used in) operations</i>		9,688,109,358	4,638,671,439
Tax paid for prior year		(205,285,222)	(355,649,080)
Tax paid for current year		(75,000,000)	(50,000,000)
Net cash generated from operating activities		9,407,824,136	4,233,022,360
Cash flows from investing activities			
Acquisition of fixed assets	7	(3,660,603,603)	(4,645,351,102)
Proceeds from disposal		-	70,284,747
Net cash generated from/(used in) investing activities		(3,660,603,603)	(4,575,066,355)
Cash flows from financing activities			
Term Loan		(5,756,246,947)	292,775,523
Proceeds from shares		-	-
Net cash generated from financing activities		(5,756,246,947)	292,775,523
<i>Net (decrease) in cash and cash equivalents</i>		<i>(9,026,414)</i>	<i>(49,268,472)</i>
Cash and cash equivalents at start of year		39,557,607	88,826,279
Cash and cash equivalents at end of year	11	30,531,393	39,557,807

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 the years presented, unless otherwise stated.

1a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities, and the requirements of the Companies Act of United Republic of Tanzania. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings.

1b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and volume rebates.

1c) Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

1d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period:

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii) Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1e) Equipment

Equipment are tangible items that:

- i) Are held for use in the supply of services and for administrative purpose.
- ii) Are expected to be used for more than one period.

Items of equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of profit or loss in the year to which it relates.

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

Depreciation is provided using the reducing balance method to write down the cost less estimated residual value over the useful life of equipment. The following annual rates are used for the depreciation of equipment.

Items	Rates
Computer and Accessories	37.5%
Trucks and Trailers	25%
Furniture and Fittings	12.5%
Motor Vehicle	25%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

1f) Impairment of asset

At each reporting date, the company assesses whether there is any indication that any asset (or group of related assets) may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, this does not apply to impairment losses allocated to goodwill, the reversal of which is prohibited by the standard.

1g) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

Trade and other receivables

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.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

1h) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

1i) Share capital

Ordinary shares are classified as equity.

1j) Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution plans are expensed as they fall due. The company and its employees contribute to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act.

1k) Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1l) Inventory

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first in first out (FIFO) method. Net realisable value is the estimated selling price less any other costs necessary to make the sale. The value of inventory is determined by the Directors of the Company.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1m) Borrowings

Borrowings are initially recognised at fairvalue, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired and its costs are expensed in the year in which they are incurred.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

1n) Comparatives

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

2) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Equipment

Critical estimates are made by the directors in determining depreciation rates for property and equipment. The depreciation rates used are set out in the respective accounting policy under equipment.

(ii) Income taxes

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS	2022 T.SHS	2021 T.SHS
1 Revenue		
Transportation income	29,846,893,289	22,240,097,107
	29,846,893,289	22,240,097,107
2 Direct and other related cost		
Bonus		-
COMESA	85,920,000	80,558,022
Container Seal	90,462,881	77,142,234
Fleet tracking subscription	80,347,434	75,226,183
Handling charges	1,040,207	6,469,500
Interchange charges	605,000	850,000
Motor vehicle depreciation	3,402,344,031	3,103,730,955
Motor vehicle fuel, gas and oil	16,038,827,995	11,268,819,080
Motor vehicle insurance	337,143,250	383,292,616
Motor vehicle spares and repairs	1,015,229,498	911,328,626
Motor vehicle tires and tubes	708,859,888	605,832,922
Parking fees	1,187,500	855,000
Road toll	2,651,975,120	1,500,609,608
Road Licenses and permits	198,272,241	118,009,065
Sumatra fees	34,523,267	28,698,720
Transport, travelling and millage	3,315,267,000	2,262,901,600
Tanzania Truck Owners Association	1,600,000	1,600,000
	27,963,605,313	20,425,924,131
3 Other Income		
Exchange gain	6,249,963	5,871,570
Gain on disposal	-	24,302,753
	6,249,963	30,174,324
4 Administrative costs		
Accountancy fees	5,000,000	4,000,000
Bank charges	23,674,180	40,562,498
Business License and permit	240,000	473,100
City service levy	18,231,984	16,247,138
Cleaning expenses	9,357,775	6,818,226
Depreciation	3,787,334	3,330,812
Electricity and water	6,377,420	14,797,823
Employment costs (Note 4a)	1,088,732,791	883,815,397
Fines and penalties	9,125,630	2,969,575
Filing fees	207,000	44,000
Inspection fees	502,500	150,000
Medical Expenses	3,772,700	3,867,650
Printing and stationery	9,872,314	2,795,997
Refuse Collection	1,461,600	1,569,500
Rent	18,000,000	18,000,000
Repairs and maintenance	123,965,169	80,008,687
Security Charges	2,106,121	2,149,990
Stamp duty	180,000	180,000
Telephone, Internet and Postage	9,962,688	9,868,000
Total administrative costs	1,334,557,207	1,091,648,493

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)	2022 <u>T.SHS</u>	2021 <u>T.SHS</u>
4a Employment cost		
Directors remuneration	198,000,000	130,500,000
NSSF contribution	88,115,000	70,530,000
Salaries and wages	683,150,000	574,800,000
Skills and Development Levy	34,827,200	27,680,000
Staff welfare	79,805,541	74,739,597
Workers compensation fund	4,835,050	5,565,800
Total employment cost	<u>1,088,732,791</u>	<u>883,815,397</u>
5 Finance cost		
Bank interest charges	48,196,293	208,909,516
Legal fees for loan	-	7,015,859
Interest on loan	62,544,337	100,514,930
Total finance cost	<u>110,740,630</u>	<u>316,440,307</u>
6 Tax expense		
Current tax	56,638,715	-
Deferred tax charge (Note 7)	170,665,170	131,768,423
Tax charge	<u>227,303,885</u>	<u>131,768,423</u>
Reconciliation of tax expense		
Profit before tax	444,240,102	436,258,500
Tax calculated at a tax rate of 30% (2021: 30%)	133,272,031	130,877,550
Tax effect of:		
Expenses not subject to tax	2,737,689	890,873
Deferred tax not recognised	91,294,165	-
Tax charge	<u>227,303,885</u>	<u>131,768,423</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Equipment

	Computer and Accessories	Trucks and Trailers	Furniture and Equipment	Motor Vehicles	Heavy duty Motor Vehicle	Motor Vehicle class I	Motor Bike	Total
	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>	<u>T.SHS</u>
Year ended 31 December 2022								
Cost								
As at 1 January 2022	6,555,339	21,492,095,370	28,853,124	283,582,044	418,047,830	704,419,378	2,364,407	22,935,917,492
Additions	1,949,153	3,594,959,322	1,220,339	60,025,637	-	-	2,449,153	3,660,603,603
As at 31 December 2022	8,504,492	25,087,054,692	30,073,463	343,607,681	418,047,830	704,419,378	4,813,560	26,596,521,095
Depreciation								
As at 1 January 2022	3,809,298	10,355,942,270	15,903,977	214,509,921	373,124,942	160,213,334	344,809	11,123,848,551
Charge for the year	1,699,787	3,158,513,204	1,733,050	28,522,838	11,230,722	204,077,267	354,498	3,406,131,365
As at 31 December 2022	5,509,085	13,514,455,474	17,637,027	243,032,759	384,355,664	364,290,601	699,307	14,529,979,916
Net Book Value								
As at 31 December 2022	2,995,407	11,572,599,218	12,436,436	100,574,922	33,692,166	340,128,778	4,114,253	12,066,541,179
Year ended 31 December 2021								
Cost								
As at 1 January 2021	5,625,339	17,549,850,007	28,853,124	283,582,044	418,047,830	102,395,520	-	18,388,353,864
Additions	930,000	4,040,032,837	-	-	-	602,023,858	2,364,407	4,645,351,102
Disposal	-	(97,787,474)	-	-	-	-	-	(97,787,474)
As at 31 December 2021	6,555,339	21,492,095,370	28,853,124	283,582,044	418,047,830	704,419,378	2,364,407	22,935,917,492
Depreciation								
As at 1 January 2021	2,673,174	7,433,527,655	14,054,099	191,485,880	358,150,646	44,398,058	-	8,044,289,512
Charge for the year	1,136,124	2,949,917,342	1,849,878	23,024,041	14,974,296	115,815,276	344,809	3,107,061,766
Disposal	-	(27,502,727)	-	-	-	-	-	(27,502,727)
As at 31 December 2021	3,809,298	10,355,942,270	15,903,977	214,509,921	373,124,942	160,213,334	344,809	11,123,848,551
Net Book Value								
As at 31 December 2021	2,746,041	11,136,153,100	12,949,147	69,072,123	44,922,888	544,206,044	2,019,598	11,812,068,941

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022 <u>T.SHS</u>	2021 <u>T.SHS</u>	
8 Deferred tax			
Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2021: 30%). The movement on the deferred tax account is			
At start of year	181,869,365	50,100,942	
Deferred tax charge (Note 6)	170,665,170	131,768,423	
At end of year	<u>352,534,535</u>	<u>181,869,365</u>	
Deferred tax (Liability), deferred tax (charge) in the statement of profit or loss are attributable to the following items:			
	At start of year	Credit/charge to SPL	At end of year
	<u>T.SHS.</u>	<u>T.SHS.</u>	<u>T.SHS.</u>
Year ended 31 December 2022			
Deferred tax (liability)			
Excess capital allowances over depreciation	273,163,530	79,371,005	352,534,535
Tax losses	(91,294,165)	91,294,165	-
Net deferred tax liability	<u>181,869,365</u>	<u>170,665,170</u>	<u>352,534,535</u>
Year ended 31 December 2021			
Deferred tax (liability)			
Excess capital allowances over depreciation	91,403,781	181,759,749	273,163,530
Tax losses	(41,302,839)	(49,991,326)	(91,294,165)
Net deferred tax liability	<u>50,100,942</u>	<u>131,768,423</u>	<u>181,869,365</u>
9 Taxation			
Balance brought forward	(50,000,000)	(50,000,000)	
Add: Corporation Tax	56,638,715	-	
Prior year tax	255,285,222	405,649,080	
	261,923,937	355,649,080	
Less: Tax Paid during the year	75,000,000	50,000,000	
Prior year tax paid	205,285,222	355,649,080	
	<u>(18,361,285)</u>	<u>(50,000,000)</u>	
10 Trade and other receivables			
Other receivables	696,163,761	2,087,767,312	
Trade receivables	543,848,652	474,558,218	
VAT Claim	2,250,465,220	2,190,721,134	
	<u>3,490,477,633</u>	<u>4,753,046,664</u>	
11 Cash and cash equivalents			
Cash in hand	1,259,462	4,992,903	
Cash at bank	29,271,931	34,564,904	
	<u>30,531,393</u>	<u>39,557,807</u>	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)	2022 <u>T.SHS</u>	2021 <u>T.SHS</u>
12 Share capital		
Authorised:		
10,000 (2021: 10,000 shares) ordinary shares of TShs 10,000 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid:		
10,000 (2021: 10,000 shares) ordinary shares of TShs 10,000 each	<u>100,000,000</u>	<u>100,000,000</u>
13 Trade and other payables		
Accrued Charges	21,526,000	20,442,800
Trade payables	<u>14,274,301,786</u>	<u>9,700,216,127</u>
	<u>14,295,827,786</u>	<u>9,720,658,927</u>
14 Borrowings		
a) Great Lakes	-	2,110,813,522
b) Stanbic Bank Tanzania Limited	1,764,491,230	3,646,788,102
c) Commercial bank of Africa	<u>426,921,400</u>	<u>2,190,057,953</u>
	<u>2,191,412,630</u>	<u>7,947,659,577</u>

(a) The above loan has been acquired from related party with an effective interest rate of 5% per annum

(b) The company has acquired a vehicle and asset financing facility amounting to \$1,281,317/- and Letter of Credit with a limit of \$ 601,600/- for the purpose of working capital and operating requirements from Stanbic Bank Tanzania Limited.

Interest rate:

Vehicle and asset financing facility	10%
Letter of Credit Limit	9%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Going concern

During the year ended 31 December 2022, the Company had a net current liability of Tshs 10,756,457,476/- (2021:Tshs 4,878,054,455/-) and as at that date the Company had a shareholder deficit of Tshs 1,233,863,461/- (2021:1,195,514,457/-)

The Company meets day to day working capital requirements through operating cashflows and related party borrowings. The shareholder's have undertaken to finance the company to meet its financial needs for the foreseeable future. Based on this, the directors have considered it appropriate to prepare the financial statements on a going concern basis.

16 Contingent liability

As at 31 December 2022, the Company had no litigations.

17 Subsequent event

There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.

18 Capital Commitments

As at 31 December 2022, the Company had no capital expenditure contracted or accrued.

TAX COMPUTATION

2022
T.SHS

Profit before tax as per accounts	444,240,102
Add: Non-allowable expenses	
Depreciation	3,406,131,365
Fines and penalties	9,125,630
	3,415,256,995
Less: Allowable deductions	
Wear and tear allowance	(3,670,701,381)
	(3,670,701,381)
Adjusted Profit for the year	188,795,716
POSITION OF TAXATION	
Corporation tax at 30%	56,638,715
Less: Provisional tax paid for the year	75,000,000
Tax repayable	(18,361,285)

WEAR AND TEAR ALLOWANCES SCHEDULE FOR THE YEAR 2022

	CLASS I 37.5% T.SHS	CLASS II 25.0% T.SHS	CLASS III 12.5% T.SHS	TOTAL T.SHS
WDV as at 01.01.2022	389,311,382	10,431,586,016	15,018,003	10,835,915,401
Additions	1,949,153	3,654,984,959	3,669,492	3,660,603,603
Disposal	391,260,535	14,086,570,975	18,687,495	14,496,519,004
	-	-	-	-
	391,260,535	14,086,570,975	18,687,495	14,496,519,004
Wear & Tear allowances	(146,722,700)	(3,521,642,744)	(2,335,937)	(3,670,701,381)
WDV as at 31.12.2022	244,537,834	10,564,928,231	16,351,558	10,825,817,623