

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2023**

**M/S CMG PYRAMID INDUSTRIES LIMITED  
P.O. BOX 235,  
MWANZA, TANZANIA.**

**M/S CMG PYRAMID INDUSTRIES LIMITED**  
**Annual report and financial statements**  
**for the year ended 31st December 2023.**

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**M/S CMG PYRAMID INDUSTRIES LIMITED**  
**Annual report and financial statements**  
**for the year ended 31st December 2023.**

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**COMPANY INFORMATION**

<b>Directors</b>	Joyce Mwita Gachuma	- Tanzanian	- Director
	Hardik Dave	- Indian	- Director
	Satish Venkappa Poojary	- Indian	- Director

**Company Secretary** Satish Venkappa Poojary  
Plot 70/71/72/73, Nyakato Industrial Area,  
Mwanza- Musoma Highway, Mwanza  
Tanzania.

**Registered office** Plot 70/71/72/73, Nyakato Industrial Area,  
Mwanza- Musoma Highway,  
Mwanza, Tanzania

**Auditors** Mhasibu Consultants  
Certified Public Accountants, Auditors, Tax & Business Consultants  
Dar Es Salaam, Tanzania

**Principal Bankers** Diamond Trust Bank,  
Mwanza Branch,  
Mwanza, Tanzania

CRDB Bank PLC  
Mwanza Branch,  
Mwanza, Tanzania

**Tax Identification** 139-260-651

# M/S CMG PYRAMID INDUSTRIES LIMITED

## Directors' Report

for the year ended 31st December 2023.

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1 The Directors present their report and the financial statements for the period ended 31st December 2023.

### 2 Incorporation

The company is incorporated in Tanzania under the Companies Act 2002, on under the Certificate of Incorporation No. 139260651 dated 3rd June 2019. The company began operations in August 2019.

### 3 Principal activities

The principal activities of the company are manufacture of Non woven Bags.

### 4 Directors' interests

The directors' interest in the share capital of the company is as follows:

#### Ordinary shares of TZS 1,000 each

	2023		2022	
	No. of shares	Nominal value TZS	No. of shares	Nominal value TZS
CMG Investments Limited	443,700	443,700,000	132,600	132,600,000
Hardik Hemendrakumar Dave	426,300	426,300,000	127,400	127,400,000
	<b>870,000</b>	<b>870,000,000</b>	<b>260,000</b>	<b>260,000,000</b>

### 5 Results for the period

The Directors carry forward the profit of TZS 40,179,908/- for the period ended 31st December 2023.

There is no dividend declared for the period.

### 6 Auditors

The auditors, Mhasibu Consultants, have indicated their willingness to continue in office and are eligible for re-appointment.

By Order of the Board



\_\_\_\_\_  
Director

Date: .....

**M/S CMG PYRAMID INDUSTRIES LIMITED**  
**Statements of directors' responsibilities**  
**for the year ended 31st December 2023.**

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

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31st December 2023 and of its operating results for the period then ended. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

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



\_\_\_\_\_  
**Director**

**Date:** .....



# MHASIBU CONSULTANTS

Certified Public Accountants, Auditors & Tax Consultants  
P. O. Box 13768, Azikiwe House, 5<sup>th</sup> Floor, Dar es Salaam, Tanzania.  
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E-mail: [info@mhasibu.co.tz](mailto:info@mhasibu.co.tz): Website: [www.mhasibu.com](http://www.mhasibu.com)

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## ***REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE MEMBERS OF CMG PYRAMID INDUSTRIES LIMITED***

### **Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CMG Pyramid Industries Limited as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, CAP 212 Act No. 12 of 2002.

We have audited the financial statements of the Company which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income for the year then ended, statement of changes in equity for the year then ended, statement of cash flows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of the current period. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters. In this regard there were none to report.

### **Other information**

The directors are responsible for the other information. The other information comprises directors' report but does not include the Company financial statements and our auditor's report thereon. Our opinion on the Company's financial statements does not cover the other information and we do not provide any form of assurance conclusion thereon.

In connection with our audit of the Company's financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Company's financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Company's financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, CAP 212 Act No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the Company's financial statements**

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

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

- Identify and assess the risks of material misstatement of the Company's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- i) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - ii) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Incise we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company's financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- iii) Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, CAP 212 Act No. 12 of 2002 and for no other purposes.

As required by the Companies Act, CAP 212 Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with CMG Pyramid Industries Limited is not disclosed. In respect of the foregoing requirements, we have no matter to report.

**MHASIBU CONSULTANTS**



**JOHN M. LYANGA – FCPA-PP  
MANAGING PARTNER  
CERTIFIED PUBLIC ACCOUNTANTS**



**Date: .....**

*Partners: John Lyanga and Winston Minja*

**M/S CMG PYRAMID INDUSTRIES LIMITED**  
**Declaration by the Head of Finance**  
**for the year ended 31st December 2023.**

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**Declaration by the Head of Finance/ Accounting of**  
**M/S CMG PYRAMID INDUSTRIES LIMITED**

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The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by 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/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the position and performance in accordance with applicable International Accountanting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Director Responsibility statement on an earlier page.

I (Name) Damali Deygo Being the Head of Finance/Accounting of **M/s CMG PYRAMID INDUSTRIES LIMITED** hereby acknowledge my responsibility of ensuring that financial statements for the period ended **31st December 2023** have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statement give a true and fair view position of **M/s CMG PYRAMID INDUSTRIES** as on that date and that they have been prepared based on properly maintained financial records.

Signed:  .....

Signed by:

Position: **Financial Controller**

NBAA Membership No: ACPA6274

Date: 01/05/2024 .....

**M/S CMG PYRAMID INDUSTRIES LIMITED****Statement of Comprehensive Income****for the year ended 31st December 2023.**

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	Year ended 31st December 2023 TZS	Year ended 31st December 2022 TZS
<b>Revenue</b>	<b>4,638,738,221</b>	<b>3,606,643,263</b>
Cost of sales	(2,854,436,745)	(2,260,137,595)
Direct Costs	(302,431,473)	(54,307,780)
<b>Gross Profit</b>	<b>1,481,870,002</b>	<b>1,292,197,888</b>
<b>Operating expenses</b>		
Administrative Expenses	1,037,024,401	881,772,838
Other Operating Expenses	106,100,225	64,195,390
Finance Cost	298,565,468	340,255,551
	<b>1,441,690,093</b>	<b>1,286,223,778</b>
<b>Net Profit / (Loss) for the Period before Tax</b>	<b>40,179,908</b>	<b>5,974,110</b>

**M/S CMG PYRAMID INDUSTRIES LIMITED****Statement of Financial Position**

as at 31st December 2023

	Notes	Year ended 31st December 2023 TZS	Year ended 31st December 2022 TZS
<b>ASSETS</b>			
<b>Non current assets</b>			
Plant, Property and Equipment	2	1,577,422,418	1,587,393,716
		<u>1,577,422,418</u>	<u>1,587,393,716</u>
<b>Current assets</b>			
Inventories		149,659,555	877,553,513
Trade and other receivables	3	89,583,978	-
Cash and cash equivalents	4	28,231,224	6,593,908
Advance Tax		43,978,519	47,400,000
		<u>311,453,277</u>	<u>931,547,422</u>
<b>TOTAL ASSETS</b>		<u><b>1,888,875,696</b></u>	<u><b>2,518,941,138</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	870,000,000	260,000,000
Retained earnings		(1,057,157,343)	(1,065,277,922)
<b>Total equity</b>		<u><b>(187,157,343)</b></u>	<u><b>(805,277,922)</b></u>
<b>Non Current Liabilities</b>			
Borrowings	7	40,541,392	798,449,174
		<u>40,541,392</u>	<u>798,449,174</u>
<b>Current liabilities</b>			
Trade and other payables	6	694,843,874	1,034,996,198
Bank overdraft		1,340,647,774	1,490,773,687
		<u>2,035,491,648</u>	<u>2,525,769,885</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,888,875,696</b></u>	<u><b>2,518,941,138</b></u>

To the best of our knowledge and belief we confirm that the financial statements on pages 8 to 17 present true and fair view of the business affairs of the Company as at 31st December 2023.



Director

Date: .....

**M/S CMG PYRAMID INDUSTRIES LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31st December 2023.**

	<b>Share Capital TZS</b>	<b>Retained Earnings TZS</b>	<b>Total TZS</b>
<b>Balance as at 1st January 2022</b>	260,000,000	(1,056,492,189)	(796,492,189)
Changes in the period	-	5,974,110	5,974,110
Prior Period Adjustments	-	(14,759,843)	(14,759,843)
<b>Balance as at 31st December 2022</b>	<b>260,000,000</b>	<b>(1,065,277,922)</b>	<b>(805,277,922)</b>
<b>Balance as at 1st January 2023</b>	260,000,000	(1,065,277,922)	(805,277,922)
Changes in the period	610,000,000	40,179,908	650,179,908
Provision For Current Year	-	-	-
Prior Period Adjustments	-	(32,059,329)	(32,059,329)
<b>Balance as at 31st December 2023</b>	<b>870,000,000</b>	<b>(1,057,157,343)</b>	<b>(187,157,343)</b>

**M/S CMG PYRAMID INDUSTRIES LIMITED**

**Statement of Cash Flows**

**for the year ended 31st December 2023.**

	Year ended 31st December 2023 TZS	Year ended 31st December 2022 TZS
<b>Operating activities</b>		
Profit before Taxation	40,179,908	5,974,110
Depreciation	210,060,386	231,797,771
<b>Adjusted Profit Before Tax</b>	<b>250,240,294</b>	<b>237,771,881</b>
Decrease/(Increase) in Inventories	727,893,958	(701,124,066)
Decrease/(Increase) in trade and other receivables	(89,583,978)	65,472,207
Increase/(Decrease) in Trade Payables	(340,152,324)	764,220,196
<b>Cash generated / (deficit) from operation</b>	<b>548,397,951</b>	<b>366,340,218</b>
Taxation Paid	(28,637,849)	(23,759,843)
	<b>519,760,102</b>	<b>342,580,375</b>
<b>Cash Flows From Investing activities</b>		
Purchase of Property plant and equipment	(200,089,089)	(32,467,203)
<b>Net Cash used in Investing Activities</b>	<b>(200,089,089)</b>	<b>(32,467,203)</b>
<b>Cash Flows from Financing activities</b>		
Increase in Share Capital	610,000,000	-
Increase in Borrowings	(757,907,782)	(314,650,939)
<b>Net Cash used in Financing Activities</b>	<b>(147,907,782)</b>	<b>(314,650,939)</b>
<b>Net increase in cash and Cash equivalents</b>	<b>171,763,230</b>	<b>(4,537,768)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(1,484,179,779)</b>	<b>(1,479,642,011)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(1,312,416,549)</b>	<b>(1,484,179,779)</b>

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, net of bank overdrafts.

Cash in Hand	550,110	3,652,630
Cash at Bank	27,681,114	2,941,278
Bank O/d	(1,340,647,774)	(1,490,773,687)
	<b>(1,312,416,549)</b>	<b>(1,484,179,779)</b>

## M/S CMG PYRAMID INDUSTRIES LIMITED

### Significant Accounting Policies

for the year ended 31st December 2023.

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#### 1 Principal accounting policies

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

##### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Enterprises (SMEs).

##### (b) Property, Plant and equipment

(i)

All categories of property, plant and equipment are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of items. Subsequently costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is possible that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are included.

(ii) Depreciation is calculated on the written down method to write off the cost of each asset to its residual values over its estimated useful life using the following annual rates set by the company:

Plant and Machinery	12.5%
Motor Vehicle	25.0%
Furniture & Fixture	12.5%

##### (c) Trade receivables

Trade receivables are initially recognised at original invoice amount. A provision of receivable is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables

##### (d) Income taxes

Tax Computation for the period has been prepared and attached herewith.

##### (e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

##### (f) Share Capital

Ordinary shares are classified as equity.

**(g) Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, net of bank overdrafts. In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

**(h) Foreign Currency Translation**

**(a) Functional and Presentation Currency**

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Tanzanian Shillings (TZS).

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**(i) Stock**

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first in first out (FIFO) method and comprises of all costs attributable to bring the inventory to its present location and condition. The Cost of finished goods comprise raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. Net realizable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

**(j) Trade Receivables**

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(k) Employee Entitlements**

Employee entitlements to leave are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the statement of financial position. The estimated monetary liability for employee's accrued annual leave entitlement at the statement of financial position date is recognized as an expense accrual.

**M/S CMG PYRAMID INDUSTRIES LIMITED**

**Notes to the financial statements**

**for the year ended 31st December 2023.**

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**2. PROPERTY, PLANT & EQUIPMENT**

	<b>Plant and Machinery</b>	<b>Motor Vehicles</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
<b>Year ended 31st December 2023</b>				
<b>Cost or valuation</b>				
At the start of the year	2,095,566,783	36,610,169	3,062,458	2,135,239,410
Additions	137,731,306	62,357,782	-	200,089,089
At the end of the year	<b>2,233,298,089</b>	<b>98,967,952</b>	<b>3,062,458</b>	<b>2,335,328,498</b>
<b>Depreciation</b>				
At start of the year	537,078,660	10,217,161	549,873	547,845,694
Charge for the year	200,549,820	9,196,493	314,073	210,060,386
At end of the year	<b>737,628,480</b>	<b>19,413,654</b>	<b>863,946</b>	<b>757,906,080</b>
<b>Net book value as at 31st December 2023</b>	<b>1,495,669,609</b>	<b>79,554,298</b>	<b>2,198,512</b>	<b>1,577,422,418</b>
<b>Net book value as at 31st December 2022</b>	<b>1,558,488,123</b>	<b>26,393,008</b>	<b>2,512,585</b>	<b>1,587,393,716</b>

**M/S CMG PYRAMID INDUSTRIES LIMITED****Notes to the financial statements****for the year ended 31st December 2023.**

	Year ended 31st December 2023 TZS	Year ended 31st December 2022 TZS
<b>3. TRADE &amp; OTHER RECEIVABLES</b>		
Trade & other receivables	35,663,920	-
Prepaid Expenses	43,616,058	-
Deposits	10,304,000	-
	<u>89,583,978</u>	<u>-</u>
<b>4. CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	550,110	3,652,630
Cash at bank	27,681,114	2,941,278
	<u>28,231,224</u>	<u>6,593,908</u>
<b>5. SHARE CAPITAL</b>		
Authorised:		
1,000,000 ordinary shares of TZS 1,000/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued & fully paid up:		
870,000 ordinary shares of TZS 1,000/- each	<u>870,000,000</u>	<u>260,000,000</u>
<b>6. TRADE &amp; OTHER PAYABLES</b>		
Trade Creditors	587,587,142	1,051,722,998
VAT Control Account	33,435,632	(71,981,106)
Accruals	73,821,099	55,254,305
	<u>694,843,874</u>	<u>1,034,996,198</u>
<b>7. BORROWINGS</b>		
Advances from Shareholders (Interest free and Unsecured)	-	662,232,650
Term Loans	40,541,392	136,216,524
	<u>40,541,392</u>	<u>798,449,174</u>
<b>8. EMPLOYMENT COSTS</b>		
Casual Wages	130,787,291	98,507,500
NSSF Employer Contribution	18,092,112	7,073,905
Salaries & Wages	168,519,462	66,108,885
SDL Expenses	9,597,307	6,588,970
WCF Expenses	843,306	236,551
Staff Welfare	4,481,500	319,915
Work Permit Expenses	15,075,000	37,629,490
	<u>347,395,978</u>	<u>216,465,216</u>

**M/S CMG PYRAMID INDUSTRIES LIMITED**

**Schedules to the financial statements**

**for the year ended 31st December 2023.**

	Year ended 31st December 2023 TZS	Year ended 31st December 2022 TZS
Opening Stock	877,553,513	176,429,447
Purchases	2,126,542,788	2,961,261,662
	<u>3,004,096,300</u>	<u>3,137,691,108</u>
Closing Stock	149,659,555	877,553,513
<b>COST OF SALES</b>	<b><u>2,854,436,745</u></b>	<b><u>2,260,137,595</u></b>
<b>DIRECT COSTS</b>		
Loading and Offloading Charges	1,868,000	2,977,100
Transportation Charges	179,380,688	45,605,344
Clearing & Forwarding	115,268,923	-
Water Expenses	5,913,863	5,725,337
	<u>302,431,473</u>	<u>54,307,780</u>
<b>ADMINISTRATION EXPENSES</b>		
Audit Fee	4,500,000	4,000,000
Business Licences and Fees	150,000	8,758,750
Depreciation	210,060,386	231,797,771
Power & Fuel	283,187,571	256,027,261
Employment costs	347,395,978	216,465,216
Insurance costs	9,190,212	83,948,750
Medical Expenses	5,062,000	1,951,320
NEMC Inspection Fees	5,000,000	-
Office Expenses	3,273,592	782,740
Printing and Stationery Expenses	1,579,907	2,075,025
Professional & Consultancy Charges	16,961,797	14,616,800
Postage, Telephone and Internet Expenses	2,490,000	1,924,800
Repairs & Maintenance - Machinery	53,827,818	37,894,064
Repairs & Maintenance - Building	9,317,971	4,520,042
Repairs & Maintenance -Vehicles	6,597,170	3,088,076
Rent Expenses	78,426,000	-
Stamp Duty	4,000	-
Travelling Expenses	-	13,922,222
	<u>1,037,024,401</u>	<u>881,772,838</u>
<b>OTHER OPERATING EXPENSES</b>		
Packing Materials	51,599,119	24,387,072
Purchase of Electric Items	2,990,881	-
Service Levy	13,916,215	10,819,924
Uniform Expenses	4,651,610	1,872,034
Marketing expenses	32,942,400	27,116,360
	<u>106,100,225</u>	<u>64,195,390</u>
<b>FINANCE COSTS</b>		
Bank charges	38,005,170	36,074,198
Bank O/D Interest	209,970,095	-
Interest cost	2,497,465	294,878,211
Exchange Gain/loss	15,963,279	-
Realised	-	6,476,275
UnRealised	32,129,459	2,826,866
	<u>298,565,468</u>	<u>340,255,551</u>
	<b><u>1,441,690,093</u></b>	<b><u>1,286,223,778</u></b>

**M/S CMG PYRAMID INDUSTRIES LIMITED****Income Tax Computation for the year for the period ended 31st December 2023**

	TZS	TZS
Profit / Loss as per accounts		40,179,908
Add: <b>Non-allowable expenses</b>		
Depreciation	210,060,386	
Work Permits	15,075,000	
Unrealised Exchange loss	32,129,459	
Postage & Telephone (10%)	249,000	
		<u>257,513,845</u>
		<b>297,693,753</b>
Less: Depreciation allowance as per IT Act		355,667,191
Allowable Overclaimed Insurance 2022/2023 Disallowed as per TRA NOD FDRD009E		<u>34,590,807</u>
<b>Adjusted Profit / (Loss)</b>		<b>(92,564,245)</b>
<b>Adjusted Loss Brought forward from 2022 as per TRA NOD FDRD009E</b>		<b>(389,042,194)</b>
<b>Adjusted Loss Carried forward to 2024</b>		<b>(481,606,439)</b>
<b>Corporate Tax @ 30%</b>		-
Less: Provisional Tax Paid during the period 2023		<u>12,000,000</u>
<b>Tax Due / (Credit c/f)</b>		<b>(12,000,000)</b>

**SCHEDULE OF DEPRECIATION ALLOWANCE**

	Class 1 TZS	Class 2 TZS	Class 3 TZS	Total TZS
<b>W.D.V. as at 31.12.2022 per TRA NOD FDRD009E</b>	18,750,000	1,193,198,383	2,512,585	1,214,460,969
Additions during the year	-	200,089,089	-	200,089,089
	18,750,000	1,393,287,472	2,512,585	1,414,550,057
Less: Depreciation allowance	7,031,250	348,321,868	314,073	355,667,191
<b>W.D.V. as at 31.12.2023</b>	<b>11,718,750</b>	<b>1,044,965,604</b>	<b>2,198,512</b>	<b>1,058,882,866</b>