

MS DOLIN INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

AND

REPORT OF MANAGEMENT ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER, 2023

MARTEC & CO.

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

HEAD OFFICE

416/129 Nkrumah Street

P.o.Box 71914

Tel. 022-2123732

Mobile: 0713-335762/0762-335762

FAX: 022-2113020/022-2129913

DAR ES SALAAM.

BRANCH

Lawate Building

plot no.25 Block 25 - Majengo

P.O.BOX 1580

TEL: 0754-393020

Fax: 026-2322835

DODOMA

BRANCH

CRDB BUILDING 1ST FLOOR

P.O.BOX 798

TEL: 0713-609013

SHINYANGA

M/S DOLIN INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

TABLE OF CONTENTS	Page
Company information	2
Directors' report	3-4
Independent auditors' report	5
Statement of financial position	6
Statement of comprehensive income	7
Statement of changes in owners' equity	8
Statement of cash flows	9
Notes to the financial statements	10-15

**M/S DOLIN INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023**

M/S DOLIN INVESTMENT CO. LIMITED

REGISTRATION

Dolin Investment Co. Limited is a company limited by shares, registered under Companies Act of 2002 with certificate of Incorporation Number 117968. The Company is registered with Tanzania Revenue Authority vide Certificate of Registration No. TIN.127-393-583 issued in Dar Es Salaam.

CONTACT ADDRESS

DOLIN INVESTMENT CO. LIMITED

P.O. Box 38621

Plot No. 5 Block D

MWANAMBAYA MKURANGA

PWANI.

BANKERS

KCB Bank

NMB Bank

Kakriakoo

Dar Es Salaam

COMPANY AUDITORS

MARTEC & Co. (Certified Public Accountants)

P.O. Box 71914

Dar es Salaam.

M/S DOLIN INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. INTRODUCTION

The directors present their report and audited Financial Statements for the year ended 31st December, 2023.

2. STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are required under the Companies Act of 2002 to prepare financial statements of the company for each financial year, that show a true and fair view of the state of affairs of the company as at the end of the financial year, the operating results, statement of cash flows and statement of changes in equity for the year then ended.

The Directors confirm that suitable accounting policies have been used and applied consistently. Reasonable and prudent judgment has been exercised where estimates were used in the preparation of Financial Statements for year ended 31st December, 2023. The directors also confirm that the International Financial Reporting Standards for SME's have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with Companies Act of 2002. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

3. PRINCIPAL ACTIVITY

The principal activity of the company is manufacturing of plastics shoes.

4. DIRECTORS

The name of the director of the company who have served the board for the whole year are as follows;

	NAME	NATIONALITY
i)	Lin Zhu Hua	Chinese
ii)	Chen Ai Hua	Chinese

M/S DOLIN INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2023— (continued)

5. SHAREHOLDERS OF THE COMPANY

The total number of shareholders during the year 2023 is 2. Shareholders are the same as the previous year. Directors holding shares are listed below:

	NAME	NATIONALITY	NUMBER OF SHARES (%)
i)	Lin Zhu Hua	Chinese	70
ii)	Chen Ai Hua	Chinese	30
	Total		100

6. RESULTS

The results for the year are set out on page 7.

7. SOLVENCY

The company's Financial Position as at 31st December, 2023 is as shown on page 6 of the Financial Statements.

8. AUDITORS

The auditors MARTEC & Co. were appointed as auditors of the company for the year ended 31st December, 2023 and are eligible for re-appointment.

BY ORDER OF THE BOARD,



Lin Zhuhua

Director

Date.....

INDEPENDENT AUDITORS' REPORT

To the members of

DOLIN INVESTMENT LIMITED

We have audited the accompanying financial statements of **Dolin Investment Limited**, which comprises the statement of financial position as at 31st December, 2023 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards for SME'S This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Dolin Investment Limited** as at 31st December, 2023, and of its financial performance and its cash flows for the year then ended; in accordance with International Financial Reporting Standards for SME'S and comply with the Companies Act, 2002.

MARTEC & CO. (Certified Public Accountants)



MANAGING PARTNER
DAR ES SALAAM
Date.....

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2023

ASSETS	NOTE	2023 Tshs	2022 Tshs
Non-Current Assets			
Property, Plant, Equipment's	3	759,094,551	393,583,310
Current Asset			
Stock in trade	4	8,878,771,103	3,844,737,487
Trade and Other Receivable	5	177,433,845	20,459,029
Cash & Bank balances	6	806,571	828,744
Tax repayable		-	-
Total Current Assets		9,057,011,519	3,866,025,261
TOTAL ASSETS		9,816,106,070	4,259,608,571
SHAREHOLDERS EQUITY			
Share Capital	7	100,000,000	100,000,000
Advance towards Share Capital		600,000,000	600,000,000
Retained Earnings		246,809,623	(80,645,712)
Total Shareholders' Equity		946,809,623	619,354,288
CURRENT LIABILITIES			
Trade and other payables	8	8,699,159,281	3,566,146,887
Tax payable		170,137,166	74,107,396
Total Liabilities		8,869,296,447	3,640,254,283
TOTAL EQUITY AND LIABILITIES		9,816,106,070	4,259,608,571

Notes on pages 10 to 15 form an integral part of these financial statements.
 Auditors' report on page 5.

Director's Name LIN ZHUHUA

Signature 

Date:

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2023

		2023	2022
	NOTE	Tshs	Tshs
Revenue		6,510,505,948	4,940,400,102
Cost of Sales	9	5,759,912,760	4,541,419,053
GROSS PROFIT		750,593,187	398,981,049
LESS:			
Administrative Expenses	12	173,067,873	111,491,708
Financial charges	13	3,261,779	7,294,202
Staff Expenses	14	106,470,200	78,626,989
Total Expenses		282,799,852	197,412,899
Profit / (Loss) Before Tax		467,793,335	201,568,150
Taxation for the year		140,338,001	60,470,445
Profit / (Loss) After Tax		327,455,335	141,097,705

Notes on pages 10 to 15 form an integral part of these financial statements.
 Auditors' report on page 5.

M/S DOLIN INVESTMENT CO. LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF CHANGE IN OWNERS' EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2023

Particulars	Share Capital	Retained Earnings	Total Equity
	Tshs	Tshs	Tshs
Balance at 1st Jan, 2023	100,000,000	(80,645,712)	19,354,288
Advance towards Share Capital	600,000,000	-	600,000,000
Profit/ (Loss)	-	327,455,335	327,455,335
tax paid (after assessment)	-	-	-
Balance at 31st December, 2023	700,000,000	246,809,623	946,809,623

*Notes on pages 10 to 15 form an integral part of these financial statements.
Auditors' report on page 5.*

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
	Tshs	Tshs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Taxation	467,793,335	201,568,150
Adjustment For:		
Depreciation	98,524,771	54,386,390
Tax Paid	(39,000,000)	(220,454,999)
Operating Profit / (loss) Before working Capital	527,318,106	35,499,541
Changes in Stock in Trade	(5,034,033,616)	(969,441,567)
Change in Debtors and Prepayments	(156,974,816)	66,659,118
Changes in Creditors and Accruals	5,133,012,395	961,798,211
Net Cash Flows from Operation	(57,996,037)	59,015,761
Injection of capital		
Advance towards Share Capital	-	-
Purchase of fixed Assets	(464,036,012)	(95,198,551)
Cash adjusted to cash flow	(5,308,231)	-
Net Cash Flows from Financing Activities	(469,344,243)	(95,198,551)
Increase in Cash and Cash Equivalents	(22,174)	(683,248)
Cash and Cash Equivalents at the Beginning of the year	828,745	1,511,993
Cash and Cash Equivalent at the end of the Year	806,571	828,745

Notes on pages 10 to 15 form an integral part of these financial statements.

Auditors' report on page 5.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Dolin Investment Co. limited is a limited liability Company incorporated in Tanzania with certificate of registration number 117968 Address of registered office of the Company is Mwanambaya Mkuranga, Plot No. 5 Block D, and P.O. Box 38621, Dar es Salaam.

The Company's principal activities are manufacture of plastics shoes.

2. BASIC OF PREPARATION

The financial statements have been prepared on a historical cost basis. These financial statements are presented in Tanzanian Shillings (Tzs).

Statement of compliance

The financial statements have prepared in accordance with International Financial Reporting Standards (IFRSs).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

3.2 Trade and other receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

3.3 Cash and cash equivalents

Cash and bank balances in the balance sheet comprise cash in hand and at banks. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

3.4 Property, plant and equipment

Plant and equipment is stated at cost. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a Straight-line method so as to write off the cost the asset over their useful lives. The annual rates of depreciation are:

Description	Rate (%)
Furniture & Fittings	12.5
Motor Vehicles/Equip.	25
Office Equipment's	12.5
Machinery	25

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

3.5 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is determined on First in First out (FIFO) Method.

3.6 Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS continued

3.7 Provisions

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

3.8 Employee benefits

The company's employees are members of state-owned pension scheme, the National Social Security Fund (NSSF). The company contributes to the scheme 10% of gross salary for each employee, and the employee contributes 10%. The company's contributions to the fund are charged to the income statement.

3.9 non-interest-bearing loans and borrowings

Non-interest-bearing loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

3.10 De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.11 Taxes

i) Current tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The current tax rate is 30%.

ii) Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)
 Note 3: Property, Plant and Equipment

Particulars	Furniture & Fittings	Plant & Machinery	Tools & Equipment's	Motor Vehicle	Land & Building	Total
	Tsh	Tsh	Tsh	Tsh	Tsh	Tsh
Cost						
As at 01/01/2023	2,490,162	237,599,111	121,134,291	27,445,710	59,300,427	447,969,700
Additions	-	234,520,234	3,335,492	61,016,949	165,163,337	464,036,012
As at 31/12/2022	2,490,162	472,119,345	124,469,783	88,462,659	224,463,763	912,005,712
Depreciation						
As at 01/01/2023	311,270	29,699,889	15,141,786	6,861,427	2,372,017	54,386,390
Charge for the Year	200,374	55,302,432	13,737,987	20,400,308	8,883,670	98,524,771
as at 31/12/2023	511,645	85,002,321	28,879,773	27,261,735	11,255,687	152,911,161
CARR. AMOUNT						
As at 31/12/2023	1,978,517	387,117,024	95,590,010	61,200,924	213,208,076	759,094,551
As at 31/12/2022	1,602,994	207,899,224	106,568,400	20,584,282	56,928,409	393,583,310

Note 4: Stock summaries

	2023	2022
	Tshs	Tshs
Raw materials	4,180,421,000	2,542,652,120
Finished Goods	4,084,236,520	1,302,085,367
WIP	614,113,583	-
Total	8,878,771,103	3,844,737,487

Note 5: Trade and other receivable

	2023	2022
	Tshs	Tshs
Trade debtors	-	-
VAT Repayable	177,433,845	20,459,029
Total	177,433,845	20,459,029

Note 6: Cash and cash equivalents

	2023	2022
	Tshs	Tshs
Cash at Bank	806,571	828,744
Cash on Hand	-	-
Total	806,571	828,744

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 7: Share capital

	2023	2022
	Tshs	Tshs
Authorized Share Capital		
2000 Ordinary Share of Tshs 50,000/= each	100 000 000	100 000 000
Issued & Paid-up Capital		
2000 Ordinary Share of Tshs50,000/= each	100 000 000	100 000 000

Note 8: Trade and other payable

	2023	2022
	Tshs	Tshs
Sundry Creditors	8,318,131,127	3,185,247,901
Tax payable	-	-
Loan (items of Machineries)	370,000,000	370,000,000
Accountancy fees	4,000,000	4,000,000
SDL payable	517,825	569,600
NSSF Contribution payable	1,479,500	2,853,000
WCF payable	147,950	62,160
City service levy payable	4,882,879	3,414,226
Total	8,699,159,281	3,566,146,887

Note 9: Cost of Sales

		2023	2022
	Note	Tshs	Tshs
Production cost	10	8,542,063,913	4,690,078,297
Cost of goods Available for Sale		8,542,063,913	4,690,078,297
Opening stock - Finished goods		1,302,085,367	1,153,426,123
Less: Closing Stock - Finished goods	3	(4,084,236,520)	(1,302,085,367)
Cost of Goods sold		5,759,912,760	4,541,419,053

Note 10: Production cost

		2023	2022
	Note	Tshs	Tshs
Opening Stock		2,542,652,120	1,721,869,797
Purchases	16	9,879,199,785	4,899,970,931
Less: Closing Stock	4	(4,180,421,000)	(2,542,652,120)
Direct Cost	11	914,746,592	610,889,689
Cost of production		9,156,177,496	4,690,078,297
Factory Overhead	12	-	-
Opening Stock (WIP)		-	-
Closing Stock (WIP)	4	(614,113,583)	-
Total Cost of Production		8,542,063,913	4,690,078,297

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 11:	Direct cost	2023	2022
		Tshs	Tshs
	Labour Charges	80,125,000	112,755,000
	Motor Vehicles running expenses	250,924,636	42,621,810
	Depreciation charges	98,324,396	54,075,120
	Electricity & Water	471,820,502	384,617,760
	Clearing agency fee	13,552,058	16,820,000
	Total	914,746,592	610,889,689

Note 12:	Factory overhead	2023	2022
		Tshs	Tshs
	Rejected Products	-	-
	Total	-	-

Note 13:	Administrative cost	2023	2022
		Tshs	Tshs
	Accountancy fees	4,000,000	4,000,000
	Depreciation charges	200,374	311,270
	Office Expenses	1,706,476	845,210
	Telephone, Internet & Postages	1,875,260	2,564,210
	Fire expenses	1,000,000	1,000,000
	Waste Collection & Garbage	360,000	-
	City Service levy	19,531,518	14,515,295
	Stationery and printing	3,125,620	2,156,200
	Industries Licence	600,000	600,000
	Security charges	17,760,000	14,400,000
	Stamp duty	216,000	216,000
	Business Licence	400,000	400,000
	Rent	21,600,000	21,600,000
	TBS	40,308,316	24,503,318
	GCLC	28,454,309	24,380,205
	NEMC	30,000,000	-
	Hardware	-	-
	Health service	1,400,000	-
	OSHA Services	530,000	-
	Total	173,067,873	111,491,708

Note 14:	Financial charges	2023	2022
		Tshs	Tshs
	Bank charges	3,261,779	7,294,202
	Total	3,261,779	7,294,202

M/S DOLIN INVESTMENT CO. LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 15:	Staff Cost	2023	2022
		Tshs	Tshs
	Nssf & PPF contribution	16,265,000	16,488,000
	Salary & Wages	82,525,000	54,600,000
	Skill Development levy	6,053,700	6,694,200
	WCF	1,626,500	844,789
	Total	<u>106,470,200</u>	<u>78,626,989</u>
Note 16:	Purchases	2023	2022
		Tshs	Tshs
	Freight	1,168,706,768	543,268,807
	Import - Raw materials	7,887,057,782	3,735,933,883
	Import Duties	173,554,206	77,712,611
	Insurance	25,690,907	11,505,486
	Local - Materials	179,128,053	405,730,012
	Port charges	283,760,779	51,470,301
	Cpf	8,398,762	3,824,149
	Rdl	152,902,527	70,525,681
	Total	<u>9,879,199,785</u>	<u>4,899,970,931</u>
Note 17:	Taxation	2023	2022
		Tshs	Tshs
	Profit /loss as per accounts	467,793,335	201,568,150
	Add: Depreciation	98,524,771	54,386,390
		<u>566,318,106</u>	<u>255,954,540</u>
	Less: Wear & Tear Deduction	(98,524,771)	(54,386,390)
	Profit/ Loss for the year	467,793,335	201,568,150
	Corporation Tax -30%	140,338,001	60,470,445
	Tax liability (after assessment)	74,691,769	203,898,999
	Opening balance	74,107,396	30,192,951
		<u>289,137,166</u>	<u>294,562,395</u>
	Less: provisional & Final tax paid	(119,000,000)	(220,454,999)
	Tax (Overpaid)/Under paid	<u>170,137,166</u>	<u>74,107,396</u>