

SHABELLE GENERAL TRADING CO. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023



*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mainsfield 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

Mohyadini Mohamed Hussein
Abdirahman Dahir Farah
Abdi Qani Mohamed Ali

Nationality

Tanzanian
Somali
British

Registered office

Plot No: 27
Nyamezi/kipata Street
P. O. Box 19146
Dar es Salaam
Tanzania

Independent Practitioner

Pinacle Financial Consultants
Certified Public Accountants
Mainsfield/ Bridge street
P. O. Box 7286
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 2023 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 sales of hardware

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 |
|---------------------------|----------|
| Mohyadini Mohamed Hussein | Director |
| Abdirahman Dahir Farah | Director |
| Abdi Qani Mohamed Ali | 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 two 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 10 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 |
|---------------------------|-------------------|--------------|
| Mohyadini Mohamed Hussein | 701 | 50% |
| Abdirahman Dahir Farah | 300 | 21% |
| Abdi Qani Mohamed Ali | 400 | 29% |
| | 1401 | 100% |

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

| | 2023 <u>T.SHS</u> | 2022 <u>T.SHS</u> |
|---------------------|----------------------|----------------------|
| Profit before tax | (51,301,596) | (1,089,650) |
| Tax charge | - | - |
| Profit for the year | <u>(51,301,596)</u> | <u>(1,089,650)</u> |

DIVIDEND

The directors do not recommend the declaration of a dividend for the year.(2022: NIL)

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 2023 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

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 Shabele general 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 2023. 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, Pinnacle Financial Consultants 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

ABDI QANI

Abdi Qani Mohamed Ali
Director

30/6/ 2024



Abdirahman Dahir Farah
Director

30/6/ 2024

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 2023 and of its profit or loss and cash flow 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:

ABDIGNI

Abdi Qani Mohamed Ali
Director

30/6/2024

Date

DECLARATION OF THE HEAD OF ACCOUNTING OF SHABELLE GENERAL TRADING CO. 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 being the Head of Accounting of Shabelle general company co. Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 Decemeber 2023 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 Shabelle general trading co Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position:

NBAA Membership No:



CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE & TAX CONSULTANTS

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF SHABELLE GENERAL COMPANY CO. LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Shabelle general trading co.Limited based on information you have provided. These financial statements comprise the statement of financial position of Shabele general trading Limited as at 31st December 2023, 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 : PINACLE FINANCIAL CONSULTANTS
CERTIFIED PUBLIC ACCOUNTANTS

Signed by: Zainab H. Gangji
ACPA 586



30/6/2024
Date

Place : Dar es Salaam

Samora Tower, Mezzanine 2nd Floor (M2), Corner of Bridge & Mansfield Street,
Opp. Saint Joseph Church, P.O.Box 7147, Dar Es Salaam , Tanzania.

+255 22 2115688/2114081 +255 788 331 331 pfc@pinaclefc.com

STATEMENT OF PROFIT OR LOSS

| | Notes | 2023 <u>T.SHS</u> | 2022 <u>T.SHS</u> |
|-----------------------|-------|----------------------|----------------------|
| Revenue | 1 | - | - |
| Cost of sales | 2 | <u>(45,723,151)</u> | <u>-</u> |
| Gross profit | | <u>(45,723,151)</u> | <u>-</u> |
| Administrative costs | 3 | <u>(5,578,444)</u> | <u>(1,089,650)</u> |
| Profit before tax | | <u>(51,301,596)</u> | <u>(1,089,650)</u> |
| Tax charge | 7 | <u>-</u> | <u>-</u> |
| Profit for the period | | <u>(51,301,596)</u> | <u>(1,089,650)</u> |

STATEMENT OF FINANCIAL POSITION

| | Notes | 2023 T.SHS | 2022 T.SHS |
|-------------------------------------|-------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Equipment | 4 | 3,995,166,157 | 3,995,244,601 |
| | | <u>3,995,166,157</u> | <u>3,995,244,601</u> |
| Current assets | | | |
| Taxation | 5 | 11,600,000 | 8,600,000 |
| Trade and other receivables | 6 | 8,230,169 | - |
| Cash and cash equivalents | 7 | 269,292 | 272,609 |
| | | <u>20,099,461</u> | <u>8,872,609</u> |
| TOTAL ASSETS | | <u><u>4,015,265,617</u></u> | <u><u>4,004,117,210</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 8 | 1,401,000,000 | 1,401,000,000 |
| Retained earnings | | (96,701,531) | (45,399,935) |
| | | <u>1,304,298,469</u> | <u>1,355,600,065</u> |
| Current liabilities | | | |
| Trade and other payables | 9 | 2,710,967,145 | 2,648,517,145 |
| | | <u>2,710,967,145</u> | <u>2,648,517,145</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>4,015,265,617</u></u> | <u><u>4,004,117,210</u></u> |

.....
Abdirahman Dahir Farah
Director

STATEMENT OF CHANGES IN EQUITY

| | Share Capital <u>T.SHS</u> | Retained earnings <u>T.SHS</u> | Total <u>T.SHS</u> |
|--------------------------------------|---|---|-------------------------------|
| Period ended 31 December 2023 | | | |
| At start of period | 1,401,000,000 | (45,399,935) | 1,355,600,065 |
| Total loss for the period | - | (51,301,596) | (51,301,596) |
| At end of period | <u>1,401,000,000</u> | <u>(96,701,531)</u> | <u>1,304,298,469</u> |
| Year ended 31 December 2022 | | | |
| At start of year | 1,401,000,000 | (9,804,453) | 1,391,195,547 |
| Total Loss for the year | - | (1,089,650) | (1,089,650) |
| VAT credit written off | - | (34,505,832) | (34,505,832) |
| At end of year | <u>1,401,000,000</u> | <u>(45,399,935)</u> | <u>1,355,600,065</u> |

STATEMENT OF CASH FLOW

| | Notes | 2023 T.SHS | 2022 T.SHS |
|---|-------|------------------------------|------------------------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (51,301,596) | (1,089,650) |
| <i>Adjustment for:</i> | | | |
| Depreciation | 4 | <u>78,444</u> | <u>89,650</u> |
| Loss before changes in working capital | | (51,223,151) | (1,000,000) |
| <i>Changes in working capital</i> | | | |
| Trade and other receivables | | (8,230,169) | - |
| Trade and other payable | | <u>62,450,000</u> | <u>4,120,000</u> |
| <i>Cash (used in) /generated from operations</i> | | 2,996,679 | 3,120,000 |
| Tax paid for current year | | <u>(3,000,000)</u> | <u>(3,000,000)</u> |
| Net cash (used in) /generated operating activities | | <u>(3,321)</u> | <u>120,000</u> |
| Cash flows from investing activities | | | |
| Cash paid for purchase of equipment | 4 | <u>-</u> | <u>-</u> |
| Net cash /(used in) investing activities | | <u>-</u> | <u>-</u> |
| | | | |
| <i>Net increase in cash and cash equivalents</i> | | (3,321) | 120,000 |
| Cash and cash equivalents at start of year | | <u>272,609</u> | <u>152,608</u> |
| Cash and cash equivalents at end of year | 7 | <u><u>269,288</u></u> | <u><u>272,609</u></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

Property 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 equipment. The following annual rates are used for the depreciation of equipment.

| Items | Rates |
|----------|-------|
| Plots | 5.0% |
| Building | 5.0% |

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.

rate...
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 and inter...
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 and inter...

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 at bank.

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. Costs comprise direct cost for the purchase of food stuffs. 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.

12/13/2023
12/13/2023
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12/13/2023

12/13/2023
12/13/2023
12/13/2023

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 | 2023 <u>T.SHS</u> | 2022 <u>T.SHS</u> |
|--|----------------------|----------------------|
| 1 Revenue | | |
| Revenue from service rendered | - | - |
| | - | - |
| | <u>-</u> | <u>-</u> |
| 2 Cost of sales | | |
| Opening inventory | - | - |
| Purchases and direct related cost (2a) | 45,723,151 | - |
| Cost of goods available for sale | <u>45,723,151</u> | - |
| Closing inventory | - | - |
| Cost of sales | <u>45,723,151</u> | - |
| 2a Purchases and other direct costs | | |
| Hardware and Spares | 945,000 | - |
| Insurance | 8,500,000 | - |
| Repair and Maintenance | 7,553,475 | - |
| Tracking system | 872,034 | - |
| Transportation | 2,632,203 | - |
| Tyres and tubes | 25,220,439 | - |
| | <u>45,723,151</u> | - |
| 3 Administrative expenses | | |
| Accountancy fees | 1,000,000 | 1,000,000 |
| Fines and penalties | 4,500,000 | - |
| Depreciation | 78,444 | 89,650 |
| Total administrative expenses | <u>5,578,444</u> | <u>1,089,650</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Property

| | Plot No: 266 T.SHS | Plot No:451 T.SHS | House - WIP T.SHS | Furniture and fittings T.SHS | Trucks T.SHS | Total T.SHS |
|------------------------------------|-----------------------|----------------------|----------------------|---------------------------------|-----------------|----------------|
| Year ended 31 December 2023 | | | | | | |
| Cost | | | | | | |
| As at start of the year | 350,000,000 | 180,000,000 | 2,748,325,290 | 1,398,305 | 716,291,758 | 3,996,015,353 |
| Additions | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - |
| As at end of the year | 350,000,000 | 180,000,000 | 2,748,325,290 | 1,398,305 | 716,291,758 | 3,996,015,353 |
| Depreciation | | | | | | |
| As at start of the year | - | - | - | 770,752 | - | 770,752 |
| Charge for the year | - | - | - | 78,444 | - | 78,444 |
| Disposal | - | - | - | - | - | - |
| As at end of the year | - | - | - | 849,196 | - | 849,196 |
| Net Book Value | 350,000,000 | 180,000,000 | 2,748,325,290 | 549,109 | 716,291,758 | 3,995,166,157 |
| Year ended 31 December 2022 | | | | | | |
| Cost | | | | | | |
| As at start of the year | 350,000,000 | 180,000,000 | 2,748,325,290 | 1,398,305 | 716,291,758 | 3,996,015,353 |
| Additions | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - |
| As at end of the year | 350,000,000 | 180,000,000 | 2,748,325,290 | 1,398,305 | 716,291,758 | 3,996,015,353 |
| Depreciation | | | | | | |
| As at start of the year | - | - | - | 681,102 | - | 681,102 |
| Charge for the year | - | - | - | 89,650 | - | 89,650 |
| Disposal | - | - | - | - | - | - |
| As at end of the year | - | - | - | 770,752 | - | 770,752 |
| Net Book Value | 350,000,000 | 180,000,000 | 2,748,325,290 | 627,553 | 716,291,758 | 3,995,244,601 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | <u>2023</u> <u>T.SHS</u> | <u>2022</u> <u>T.SHS</u> |
|---|-----------------------------|-----------------------------|
| 5 Taxation | | |
| Balance Brought Forward | (8,600,000) | (5,600,000) |
| Add: Corporation Tax at 30% | - | - |
| Less: Provision tax paid during the period | (3,000,000) | (3,000,000) |
| | <u>(11,600,000)</u> | <u>(8,600,000)</u> |
| 6 Trade & other receivables | | |
| VAT Control | 8,230,169 | - |
| | <u>8,230,169</u> | <u>-</u> |
| 7 Cash and cash equivalents | | |
| Cash in hand | 269,292 | 272,609 |
| | <u>269,292</u> | <u>272,609</u> |
| 8 Share capital | | |
| Authorised: | | |
| 1401 ordinary shares of Tshs 1,000,000/- each | <u>1,401,000,000</u> | <u>1,401,000,000</u> |
| Issued and fully paid: | | |
| 1401 ordinary shares of Tshs 1,000,000/- each | <u>1,401,000,000</u> | <u>1,401,000,000</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | <u>2023</u> <u>T.SHS</u> | <u>2022</u> <u>T.SHS</u> |
|---|-----------------------------|-----------------------------|
| 5 Taxation | | |
| Balance Brought Forward | (8,600,000) | (5,600,000) |
| Add: Corporation Tax at 30% | - | - |
| Less: Provision tax paid during the period | (3,000,000) | (3,000,000) |
| | <u>(11,600,000)</u> | <u>(8,600,000)</u> |
| 6 Trade & other receivables | | |
| VAT Control | 8,230,169 | - |
| | <u>8,230,169</u> | <u>-</u> |
| 7 Cash and cash equivalents | | |
| Cash in hand | 269,292 | 272,609 |
| | <u>269,292</u> | <u>272,609</u> |
| 8 Share capital | | |
| Authorised: | | |
| 1401 ordinary shares of Tshs 1,000,000/- each | 1,401,000,000 | 1,401,000,000 |
| Issued and fully paid: | | |
| 1401 ordinary shares of Tshs 1,000,000/- each | <u>1,401,000,000</u> | <u>1,401,000,000</u> |

| TAX COMPUTATION | 2023 <u>T.SHS</u> |
|---|----------------------------|
| Loss before tax as per accounts | (51,301,596) |
| <u>Add: Non-allowable expenses</u> | |
| Fines and penalties | 4,500,000 |
| Depreciation | 78,444 |
| | <u>4,578,444</u> |
| <u>Less: Allowable deductions</u> | |
| Wear and tear allowance | (100,857) |
| | <u>(100,857)</u> |
| Loss for the year | (46,824,008) |
| Loss brought forward | (10,563,954) |
| Adjusted loss carried forward | <u><u>(57,387,962)</u></u> |

POSITION OF TAXATION

| | |
|---|---------------------------|
| Less: Corporation tax at 30% | - |
| Less: Provisional tax paid for the period | (3,000,000) |
| Tax repayable | <u><u>(3,000,000)</u></u> |

WEAR AND TEAR ALLOWANCES SCHEDULE

| | CLASS II 25% T.SHS | CLASS III 12.5% T.SHS | TOTAL T.SHS |
|------------------------|--------------------------|-----------------------------|----------------|
| WDV as at 01.01.2023 | 219,534,582 | 806,853 | 220,341,435 |
| Additions | - | - | - |
| | 219,534,582 | 806,853 | 220,341,435 |
| Disposal | - | - | - |
| | 219,534,582 | 806,853 | 220,341,435 |
| Wear & Tear allowances | - | (100,857) | (100,857) |
| WDV as at 31.12.2023 | 219,534,582 | 705,996 | 220,240,578 |

STRAIGHT LINE:

| | CLASS VI 5.0% TSHS. | TOTAL TSHS. |
|---------------------------|---------------------------|----------------------|
| Cost as at 1.1.2023 | 3,278,325,290 | 3,278,325,290 |
| Additions | - | - |
| | 3,278,325,290 | 3,278,325,290 |
| Disposal | - | - |
| Accumulated wear and tear | - | - |
| Wear & Tear allowances | - | - |
| Cost as at 31.12.2023 | <u>3,278,325,290</u> | <u>3,278,325,290</u> |

