

KIURE ENGINEERING LIMITED

**ANNUAL REPORT AND AUDITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31st DECEMBER 2022**

C&A

Cassian & Associates

1st Floor, Pegasus House
Corner Nkrumah/Gerezani Street
P.O. Box 63217
Dar Es Salaam, Tanzania



KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

**KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

<u>Table of Contents</u>	
Corporate Information	2
The Report by Those Charged with Governance	3
Statement Of Director's Responsibilities	6
Declaration of Head of Finance	7
Independent Auditor's Report	8
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flow.	14
Notes to the Financial Statements	15

**KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Corporate Information

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS.

SAKINA OLOSIVA
MERU SPRING PLAZA
PLOT 690, BLOCK DD
P.O.BOX 2714
ARUSHA
TANZANIA

BANKER

TCB BANK
NCBA Bank
CRDB Bank
Mwanga Hakika Bank Limited

COMPANY SECRETARY

HECON Associates
P.O.Box 75401
Dar es Salaam
Tanzania.

COMPANY AUDITORS

Cassian and Associates
Certified Public Accountants
P. O. Box 63217
Dar es Salaam
Tanzania

The Report by Those Charged with Governance

1. **Introduction**

The Directors submit their report and the audited financial statements for the year ended 31 December 2022 which disclose the financial performance of KIURE ENGINEERING (the company).

2. **Incorporation**

The company is incorporated in Tanzania under the Companies Act, of 2002 domiciled in Tanzania. The Company was given a Certificate of Incorporation number 49385.

3. **Company's Vision**

Becoming the Household name in the Construction Sector for OUR Cost-effective, Sustainable Technology and love for the earth.

4. **Company's Mission**

To Bring Sustainable Construction Services to Africa

5. **Principle Activity**

The principal activities are the construction of houses, the design, and construction of roads, bridges, walls and fences, signboards, advertising billboards, communication towers, the manufacturing of remote-controlled gates (smart gates), and a variety of other metal works.

6. **Results For The Year**

Detailed operating results are set out on page 11, having a profit of Tshs 524,767,348 (2021: (286,241,617))

Accumulated Losses

As of 31 December 2022, the company had accumulated a loss of Tshs (33,151,989) (2021: (557,919,337)).

7. **Solvency**

The Company's state of affairs on 31 December 2022 is set out on page 12. The directors consider the company to be solvent within the meaning ascribed by the Tanzanian Companies Act, of 2002.

8. **Dividend**

Directors have not proposed a dividend for the financial year ended 31 December 2022 (2021: Nil).

9. **Board of Directors**

The directors who served during the year and up to the date of this report are:

Name	Position
David Elinewinga Christian	Chairman of the Board
Helena Wilson Mteti	Board Secretary
Omar Jumaam Kiure	Board Member
Jumaam S. Kiure	Board Member
Salum Awadh	Board Member
Amina Awadh Makoko	Board Member

10. **Borrowings**

The Company as at 31 December 2022 had a bank overdraft to the extent of Tshs 1 billion million with Tanzania Commercial Bank.

11. **Administrative Matters**

The Company is capable of handling all administrative matters.

12. **Corporate Governance Statement**

The Directors are committed to the principles of good corporate governance and recognize the need to conduct the business in accordance with generally accepted best practices. In so doing the Directors, therefore, confirm that:

- The Board of Directors met regularly throughout the year.
- They retain full and effective control over the Company and monitor executive management;
- The Chairman of the board of directors is non-executive; and
- The Board accepts and exercises responsibility for strategic and policy decisions, the approval of budgets, and the monitoring of the performance.

13. **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 assets.
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior toward all stakeholders.

Risk Management And Internal Control (continued)

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff.

Whilst no system of internal control can provide absolute assurance against misstatement or loss, 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 accepted criteria.

14. **Environmental Matter**

The company complied with standards of Industrial safety and environmental regulations established by various authorities to the best of its knowledge.

15. **Subsequent Events**

The Directors are not aware of any other significant matter or circumstances arising since the end of the financial period, nor otherwise dealt with in these financial statements, which significantly affect the financial position of the company or the result of its operation.

16. **Going Concern**

The Directors have prepared the financial statements on the basis of accounting policies applicable to a going concern after due consideration of assumption and judgement as indicated in Note 2 to the financial statements.

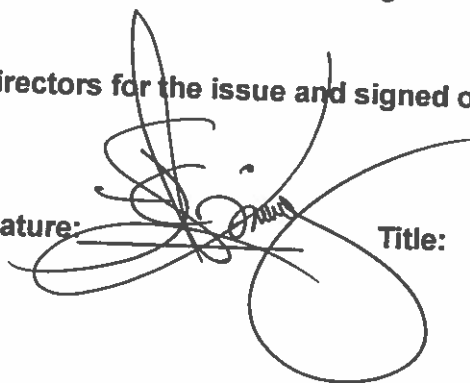
17. **Auditors**

Cassian and Associates were appointed to be the auditors of the financial statements for the financial year ended 2022 and are eligible for re-appointment upon the Board's approval.

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

Name: OMAR J. KIURE

Signature:



Title:

MANAGING DIRECTOR

Date: 12 December 2022

**KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Statement Of Director's Responsibilities

The directors are required under the Companies Act 2002 to prepare financial statements for each year that 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 operational results of the company for that year.

The director confirms that suitable accounting policies have been applied; reasonable and prudent judgment and estimates have been made in preparing the financial statements for the year ended 31 December 2022. The directors also confirm that applicable accounting standards have been followed.

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

Name: OMAR J. KIURE

Signature: 

Title: MANAGING DIRECTOR

Date: 12 December 2022

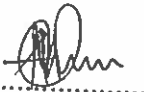
Declaration of Head of Finance

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 (or independent individual/ firm) 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 in discharging the responsibility of preparing financial statements of an entity showing a 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/Governing Body as under the Directors Responsibility statement on an earlier page.

I AMINA J. KIURE Being the Head of Finance of KIURE ENGINEERING LIMITED hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st 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 of KIURE ENGINEERING LIMITED as of that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: ACCOUNTANT

NBAA Membership No.: GA 8233

Date: 12 December 2022



*First Floor, Pegasus House,
Corner of Nkrumah and Gerezani
Street,
P.O Box 63217,
Dar Es Salaam, Tanzania*

Independent Auditor's Report

To the shareholders of KIURE ENGINEERING LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KIURE ENGINEERING LIMITED (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards for SMEs.

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.

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 the 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 and the ethical requirements of the NBAA.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Compliance with local tax regulations

The company's operations are in Tanzania and are primarily managed by the directors who are also owners of the company. There are increased operational, regulatory and financial risks due to the need to comply with local regulations.

We focused on compliance with tax laws and regulations because breaches of compliance could have a significant effect on the results and financial position of the company.

How our audit addressed the key audit matters.

- i. We examined the correspondence between Management and the Tanzania Revenue Authority.
- ii. We performed audit procedures to check if taxes were withheld as required by the law.
- iii. We performed audit procedures regarding the recording of tax exposures based on management's own assessments.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 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.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

**KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

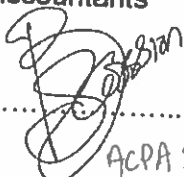
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other legal and regulatory requirements

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, No. 12 of 2002 and for no other purposes.

As required by the Companies 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 the company is not disclosed. In respect of the foregoing requirements, we have no matter to report

Cassian and Associates
Certified Public Accountants
Dar es Salaam


..... (Partner)

Date:

13 December 2023

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Comprehensive Income

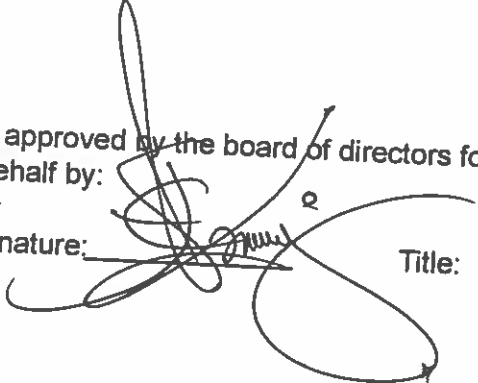
	Notes	2022	2021
		Tsh	Tsh
Revenue	3	5,921,549,080	2,987,054,784
Direct Cost	4	(4,358,272,829)	(2,786,989,134)
Gross profit		1,563,276,251	200,065,650
<i>Operating expenses</i>			
Administration expenses	5	(418,418,259)	(179,358,916)
Labour expenses	6	(361,372,884)	(186,802,560)
Total Operating loss		783,485,108	(166,095,826)
Financial expenses	7	(186,798,110)	(120,145,791)
Profit before Tax		596,686,998	(286,241,617)
Tax expenses		(71,919,650)	-
Profit for the year		524,767,348	(286,241,617)

KIURE ENGINEERING LTD
 DIRECTORS' REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Financial Position

	Notes	2022 Tshs	2021 Tshs
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	5,663,548,096	1,165,872,389
Deferred Tax Asset	13	23,772,965	-
		<u>5,687,321,061</u>	<u>1,165,872,389</u>
CURRENT ASSETS			
Cash and bank balances	8	9,367,486	160,411,257
Receivables and prepayments	9	1,029,981,163	1,150,981,416
Income tax recoverable	13	132,250,968	114,630,116
Work in Progress		-	1,642,523,596
Total Current Asset		<u>1,171,599,617</u>	<u>3,068,546,385</u>
TOTAL ASSETS		<u>6,858,920,677</u>	<u>4,234,418,774</u>
EQUITY & LIABILITIES			
EQUITY			
Share capital		70,000,000	70,000,000
Revaluation reserve		5,384,772,322	799,772,322
Retained earnings		(33,151,989)	(557,919,338.00)
Total Equity		<u>5,421,620,333</u>	<u>311,852,984</u>
CURRENT LIABILITIES			
Bank overdraft	12	24,455,230	18,140,353
Trade and other payables	11	1,400,796,738	3,833,000,180
Payroll Liability	10	12,048,376	71,425,256
Income Tax Payable	13	-	-
Total current liabilities		<u>1,437,300,344</u>	<u>3,922,565,789</u>
TOTAL EQUITY AND LIABILITIES		<u>6,858,920,677</u>	<u>4,234,418,773</u>

These financial statements were approved by the board of directors for issue in 2023 and were signed on their behalf by:

Name: OMAR J. KIURE Signature:  Title: MANAGING DIRECTOR

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Changes in Equity

	Share Capital	Revaluation reserves	Accumulated surplus	Total
	Tshs	Tshs	Tshs	Tshs
At 1 January 2022	70,000,000	799,772,322	(557,919,337)	311,852,985
Movement in the year;				
Profit for the year	-	-	524,767,348	524,767,348
Revaluation of assets	-	4,585,000,000	-	4,585,000,000
At 31 December 2022	70,000,000	5,384,772,322	(33,151,989)	5,421,620,333
At 1 January 2021	70,000,000	799,772,322	(271,677,720)	598,094,602
Movement in the year;				
Loss for the year	-	-	(286,241,617)	(286,241,617)
At 31 December 2021	70,000,000	799,772,322	(557,919,337)	311,852,985

KIURE ENGINEERING LTD
 DIRECTORS' REPORT AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Cash Flow.

	2022	2021
	Tshs	Tshs
Operating Activities		
Loss for the year	596,686,998	(286,241,617)
Adjustment for non-cash items		
Tax credit utilised	35,897,029	-
Depreciation	106,325,903	66,281,406
	<u>738,909,930</u>	<u>(219,960,211)</u>
Working Capital Adjustment		
Decrease/(increase) in receivables	121,000,253	(415,507,093)
Increase/(Decrease) in payables	(2,509,720,674)	114,194,900
Work In Progress	1,642,523,596	628,041,911
Cash flow from operations	<u>(7,286,895)</u>	<u>106,769,507</u>
Tax Paid	(149,210,495)	(61,283,884)
Net cash flows used in operating activities	<u>(156,497,390)</u>	<u>45,485,623</u>
Investing Activities		
Purchase of equipment	(19,001,610)	(29,516,560)
Net cash flows used in investing activities	<u>(19,001,610)</u>	<u>(29,516,560)</u>
Financing activities		
Proceeds from financing	-	-
Net cash flows from financing activities	<u>-</u>	<u>-</u>
Net changes in cash and cash equivalents	<u>(175,499,000)</u>	<u>15,969,063</u>
Cash and cash equivalents at 01 January	160,411,257	144,442,195
Cash and cash equivalent at 31 December	<u>(15,087,743)</u>	<u>160,411,257</u>
<i>For the purpose of cash flow, cash and cash equivalent is;</i>		
Bank and cash balance	9,367,486	160,411,257
Bank Overdraft	(24,455,230)	-
	<u>(15,087,743)</u>	<u>160,411,257</u>

Notes to the Financial Statements

1. Company Information

The Company is incorporated in Tanzania under the Companies Act 2002 as a limited liability company, and it is domiciled in Tanzania. The principal activities of the Company are disclosed in the Directors' report.

2. Going Concern

The financial statements have been prepared on a going concern basis. The basis presumes that the company will continue to receive the support of the Company's shareholders and that the realisation of assets and settlements of liabilities will occur in the ordinary course of business. The directors are reasonably confident that based on the developing business prospects, the Company will resume trading profitably in the foreseeable future.

3. Significant Accounting Policies

3.1 Basic of Preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS). The measurement basis applied is the historical cost, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgments in the process of applying the company's accounting policies.

3.2 Trade receivables and loans and receivables

At each reporting period ends, the company makes estimates and judgments regarding the carrying value of debtors based on the age of the debtor, the financial position of the customer, expected payment profile and views on the customer being able to raise future finance. The resulting accounting estimates may not reflect the actual amount receivable and any differences may have a significant impact on reported results.

3.3 Taxes

Judgement is required in determining the provision for income taxes due to the complexity of the legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liability for anticipated tax based on estimates for whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

The Company recognizes the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income.

3.3 Taxes (continued)

Estimates of future taxable income are based on forecast cash flows from operating and the applications of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax asset recorded at the end of the reporting period may be impacted.

3.4 Revenue Recognition

Revenue comprises the fair value for the sale of goods and services. Revenue is recognized when the Company has delivered products to the customer and the customer has accepted the products and the collectability of the related receivable is reasonably assured.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.6 Property, plant, and equipment

All property, plant, and equipment are shown at cost less subsequent and impairment. Cost includes expenditure attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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 reliably measured.

Depreciation is calculated using the reducing balance method balance method to allocate the cost of each asset to its residual value over the estimated useful life as follow:

	<u>Rate %</u>
Motor Vehicles	25.0
Office Furniture and Equipments	12.5
Computers Equipments	37.5
Building	2.5

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Tshs	Tshs
3 Revenue		
Construction works	5,921,549,080	2,980,618,035
Exchange gain	-	6,436,749
	5,921,549,080	2,987,054,784
4 Direct cost		
Construction materials and expenses	3,819,116,426	2,107,803,442
Fuel, oil and lubricants	22,843,620	3,933,785
Tyres and tubes	5,305,000	23,983,983
Vehicles maintenance	24,655,833	23,225,407
Subcontracted labour	486,351,950	628,042,517
	4,358,272,829	2,786,989,134
5 Administration expenses		
Advertisement & Promotions	2,853,400	-
Computer repair & Maintenance	-	985,000
Food and Refreshment	331,950	170,000
Insurance expenses	22,277,373	24,726,297
Legal and Statutory Expenses	23,483,964	2,016,500
Local Conveyance charges	-	211,902
Machinery & Maintenance	8,706,500	4,252,492
Office equipment repair	220,000	7,998,000
Parcel & Courier charges	6,960,426	242,000
Parking fees	77,000	95,237
Preliminary documentation exp	1,700,000	2,170,000
Printing & stationery	7,518,500	4,090,147
Security charges	13,136,711	4,110,000
Social welfare/Donation	100,000	-
Staff uniform & Accessories	1,240,000	-
Telecommunication & Internet	7,020,882	949,153
Travelling & Accommodation exp	26,797,623	5,133,000
Staff Welfare Expenses	1,392,500	-
Land Rent	1,500,000	-
Medical Expenses	-	50,000
Office repair & maintenance	22,906,800	35,128,289
Electrical & Water	1,983,600	1,900,000
Depreciation	106,325,903	66,281,406
Fines & Penalty	-	947,493
Audit fees	4,237,288	12,000,000
Staff transport	69,000	1,872,000

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Tshs	Tshs
5 Administration expenses (continued)		
Weight measure fee	-	4,030,000
Licence and Subscriptions	10,867,000	-
Recruitment expense	1,140,000	-
Property valuation fee	13,107,625	-
Corporate tax assessed	87,773,216	-
Office expenses	44,690,997	-
	418,418,259	179,358,916
6 Personnel expenses		
Salaries and wages	315,471,745	162,720,000
National Social Security fund	31,547,175	16,272,000
Skills and Development levy	12,618,870	6,508,800
Workers compensation fund	1,735,095	1,301,760
	361,372,884	186,802,560
7 Financial expenses		
Interest & Bank charges	74,790,413	84,581,337
Bank commission/ facility fees	96,434,893	2,182,000
Bank Guarantee commission	15,572,804	33,382,454
	186,798,110	120,145,791

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Tshs	Tshs
8 Cash and Bank Balances		
Cash at Bank	9,339,486	160,411,257
Petty cash	28,000	-
	<u>9,367,486</u>	<u>160,411,257</u>
9 Receivables and Prepayments		
WIP-Meru Microfinance Ltd	13,195,300	-
WIP-Meru Spring Water	-	676,066,739
Trade receivables	1,016,785,863	454,520,951
VAT	-	20,393,726
	<u>1,029,981,163</u>	<u>1,150,981,416</u>
10 Payroll Liability		
PAYE Payable	-	528,326
NSSF - Employer & Employee	11,233,770	64,482,123
WCF Payable	814,606	6,414,807
	<u>12,048,376</u>	<u>71,425,256</u>
11 Trade and other payables		
Trade Payables	94,503,520	3,337,557,107
Amounts received in advance	1,202,774,776	288,183,331
VAT Control	73,380,448	-
Assessed tax liability	-	181,359,036
Audit fee payable	28,237,288	24,000,000
Withholding tax - security	1,900,706	1,900,706
	<u>1,400,796,738</u>	<u>3,833,000,180</u>
12 Bank Overdraft		
Balance at year end	24,455,230	18,140,353
	<u>24,455,230</u>	<u>18,140,353</u>

KIURE ENGINEERING LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	Tshs	Tshs
13 Current Income tax		
Balance b/f	114,630,116	53,346,232
Tax credit utilised	(35,897,029)	-
Income tax Charge	(95,692,615)	-
Provisional tax paid	12,000,000	12,000,000
Withholding taxes paid	137,210,495	49,283,884
Tax receivable (payable)	132,250,968	114,630,116
Deferred Tax Asset		
Balance b/f	-	-
Temporary Difference-		
Depreciation & Capital allowance	79,243,215	-
Tax charged at 30%	23,772,965	-
Deferred Tax Asset recognised	23,772,965	-

14 Property Plant and Equipment

COST VALUATION	Land	Building	Motor	Furniture	Machinery &	Office	Computer &	Total
	0% Tshs	2.5% Tshs	vehicles 25% Tshs	and fittings 12.5% Tshs	Tools 12.5% Tshs	Equipment 12.5% Tshs	Accessories 37.5% Tshs	
At 01 January 2022	197,000,000	1,219,949,987	555,325,085	48,786,576	202,019,060	28,319,099	35,382,993	2,286,782,800
Additions	-	-	-	-	1,430,000	1,332,810	16,238,800	19,001,610
Revaluation**	1,104,135,000	2,365,829,759	-	-	-	-	-	3,469,964,759
At 31 December 2022	1,301,135,000	3,585,779,746	555,325,085	48,786,576	203,449,060	29,651,909	51,621,793	5,775,749,169
DEPRECIATION								
At 01 January 2022	-	301,914,746	530,108,551	43,603,312	184,540,903	28,319,098	32,423,801	1,120,910,411
Charge during the year	-	89,644,494	6,304,134	647,908	2,363,520	166,601	7,199,247	106,325,903
At 31 December 2022	-	391,559,240	536,412,685	44,251,220	186,904,423	28,485,699	39,623,048	1,227,236,314
NET CARRYING AMOUNT								
At 31 December 2022	1,301,135,000	3,194,220,506	18,912,401	4,535,356	16,544,637	1,166,210	11,998,745	4,548,512,855

**Revaluation:

During the year under audit the Company revalued land and building values using the market value for each location the land and building are located. The Building figure was revalued at market value less depreciable cost for the period, hence the value recorded is depreciable replacement cost.

MOVAL ENVIRONMENTAL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Land and Building 2.5%	Motor vehicles 25%	Furniture and fittings 12.5%	Machinery & Tools 12.5%	Office Equipment 12.5%	Computer & Accessories 37.5%	Total
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs
At 01 January 2021	1,416,949,987	555,325,085	42,862,847	182,044,025	28,319,099	31,765,197	2,257,266,240
Additions	-	-	5,923,729	19,975,035	-	3,617,796	29,516,560
At 31 December 2021	1,416,949,987	555,325,085	48,786,576	202,019,060	28,319,099	35,382,993	2,286,782,800

At 01 January 2021	266,490,996	504,892,016	42,862,846	182,044,024	28,319,098	30,020,026	1,054,629,006
Charge during the year	35,423,750	25,216,535	740,466	2,496,879	-	2,403,775	66,281,405
At 31 December 2021	301,914,746	530,108,551	43,603,312	184,540,903	28,319,098	32,423,801	1,120,910,411

At 31 December 2021	1,115,035,241	25,216,534	5,183,264	17,478,157	1	2,959,192	1,165,872,389

15. TAXATION

The tax affairs of the company are subjected to agreement with the Tanzania Revenue Authority.

16. FINANCIAL RISK MANAGEMENT AND POLICIES

The company's principal financial liabilities comprise trade payables. The company has various financial assets such as cash and short-term deposits, which arise directly from its operations.

The main risks arising from the company's financial instruments are foreign currency risk, liquidity risk. The board reviews and agrees on policies for managing each of these risks which are summarised below.

Foreign exchange risk

The company's functional currency is TZS in general, the company does not hedge foreign exchange functions, but it has managed to do the following to reduce the foreign currency risk: Some invoices are raised in USD and cash is received in TZS
Some cost of goods sold are incurred in USD

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available and thus the company is unable to fulfil its existing and future cash flow obligations. The company has set a finance department which among other functions monitors the maturity gap of the company's assets against liabilities.

17. CAPITAL MANAGEMENT

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year-end 31 December 2021 and 31 December 2022.

18. CONTINGENT LIABILITIES

There were no contingent liabilities against the company as at the date of this report.

19. COMMITMENTS

Capital commitments.

There were no capital commitments that were authorised or contracted for as at 31 December 2022.

Legal claims

There are no contingent liabilities relating to legal claims as at 31 December 2022.