

TEXPOL DEVELOPMENT COMPANY LTD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

AUDITORS:

**BONDAY CONSULTANCY SERVICES,
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE
2ND FLOOR, TWIGA HOUSE PLOT NO 54/59,
SAMORA AVENUE,
P. O. BOX 40508,
DAR ES SALAAM
TANZANIA**

TEL: 0786226091

TEL: 0713456422

TEL: 0754297160

E-mail: infobonday@gmail.com

TEXPOL DEVELOPMENT COMPANY LTD
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
DECEMBER, 2023

TABLE OF CONTENTS

	PAGE
Report of the Board of Directors	1 - 2
Statement of the Board Members' responsibilities	3-4
Accountant's Declaration	5
Independent Auditor's Opinion	6 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Property, Plant & Equipment	13
Notes to the Financial Statements	13 - 19

TEXPOL DEVELOPMENT COMPANY LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

1.0 INTRODUCTION.

The Directors hereby submit its report and the Financial Statements for the year ended 31st December, 2023, which were prepared in accordance with the International Financial Reporting Standards (IFRS)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENT

The Directors are responsible for the preparation of financial statements of the Company, which present true and fair view in accordance with the International Accounting standards and in compliance with International Financial Reporting Standard [IFRS]. They are also responsible for safeguarding the assets of the Company and hence for taking measures for the prevention and detection of fraud and other irregularities.

2.0 PRINCIPAL ACTIVITIES

The principal activities of the Company are:-

- Promote the use of renewable energy for consumptive productive and institutional uses.
- Implement renewable energy enterprises and business development services.
- Develop technical institutional and business capacity for developing renewable energy services.
- Develop and manage marketing networks for renewable energy services customers.

3.0 OPERATING RESULTS.

The operating results of the Company are set out on page 9 of this report

4.0 BOARD OF DIRECTORS

The followings are the Directors of the Company

S/N	NAME	TITLE
1	Julius Moses Zella	Director
2	Mafken Moses Zella	Director

5.0 RELATED PARTY TRANSACTIONS.

There were no related party transactions or balances, which require to be disclosed during the year in accordance with IAS 24

6.0 EMPLOYEES' WELFARE

6.1 Management /employees Relationship.

The relationship between management and employees continued to be good and stable. Staff complaints are resolved through management meeting. So far, work morale is good.

6.2 Financial Assistance.

Salary advances are available to employees depending on assessment on individual need and the liquidity state of the company.

7.0 SOLVENCY

The company' State of affair as at 31 December 2023 is indicated on page 10 of this report. The Directors considers the company solvent.

8.0 GENDER BALANCE

The Company abides to attain the national gender balance and has been very keen in gender balance appointments at various levels provided that the applicants have ability, qualification and integrity.

9.0 DISABLED PERSONS

The recruitment policy of the Company does not discriminate disabled persons

10.0 ACCOUNTANTS; AUDITORS AND TAX CONSULTANTS.

Bonday Consultancy Services
P.o. Box 40508
Dar es salaam.

M/S Bonday Consultancy Services were appointed as the Auditors and Tax Consultants of the company for the year ended 31 December 2023.

11. STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS.

The Board is required as a corporate body to keep proper books of accounts that gives a true and fair view of the State of Affairs of the Company as at the end of the financial period and the Statement of Comprehensive Income for that period.

The Board of Directors of Texpol Development Company Ltd confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgement and estimates have been used in preparation of the Financial Statements for the year ended 31st December, 2023. The Board of Directors also confirm that the Financial Statements comply with applicable accounting standards, the International Financial Reporting Standards, and have been prepared under the going concern basis.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the Financial Position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention of fraud, errors and other irregularities. The Board of Directors is also responsible for the maintenance of adequate system of internal controls.

12. STATEMENT OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Board of Directors is committed to comply with existing laws and Regulations applicable in running the Company.

BY THE ORDER OF THE BOARD OF DIRECTORS


.....

MANAGING DIRECTOR


.....

DATE

TEXPOL DEVELOPMENT COMPANY LTD

STATEMENT OF THE BOARD OF DIRECTORS` RESPONSIBILITY

The Companies Act, 2002, requires the Directors to prepare financial statement 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 the Company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. They are responsible for safeguarding the assets of the Company.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls 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.

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 in the manner required by the Tanzanian Companies Act, 2002. 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 and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statement, as well as adequate system 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. In addition, the Directors confirm their commitment to continue providing the financial support that may be required to enable the Company continue operation and meet its obligations as they fall due. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

Approval of the Financial Statements

The financial statements of Texpol Development Company Ltd, as indicated above, were approved by the Board of Directors on29/12/2024.....and are signed on its behalf by:


.....
DIRECTOR

DECLARATION OF THE 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 responsible for the preparation of Financial Statements of the organization 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 organization showing true and fair view of the organization position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for preparation of Financial Statements rests with the Board of Directors as under Board of Directors' responsibility statement on an earlier page.

I CPA **Stephen Simwiche** being hired Accountant hereby acknowledge my responsibility of ensuring that Financial Statements of the year ended 31st December 2023 have been prepared in accordance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **TEXPOL DEVELOPMENT COMPANY LTD** as on that date and that they have been prepared based on properly maintained financial records.

Signed by:


.....

Position:

Head of Finance (Hired accountant)

NBAA Membership No: ACPA 6002

Date:

29/12/2024
.....



BONDAY CONSULTANCY SERVICES

Certified Public Accountants in Public Practice & Tax Consultants

+255 (0)713 456422

P.O.BOX 40508
DSM
+255 (0)786226091

+255 (0)688297160

Infobonday@gmail.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MANAGEMENT OF TEXPOL DEVELOPMENT COMPANY LTD

INTRODUCTION

We have audited the accompanying Financial Statements of **TEXPOL DEVELOPMENT COMPANY LTD** set out on pages 9 to 12 which comprise the Company statement of financial performance as at 31st December, 2023, Statement of financial position, the statement of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

UNQUALIFIED OPINION

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of **TEXPOL DEVELOPMENT COMPANY LTD** as at 31st December, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

BASIS OF 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENT

Our responsibility as an auditor is to express an independent opinion on the Financial Statements based on the audit. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAI) and such other audit procedures we considered necessary in the circumstances. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's 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, we considered the internal control relevant to the Company's preparation and fair presentation of the Financial Statements 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.

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.

BOARD OF DIRECTORS OF TEXPOL DEVELOPMENT COMPANY LTD are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determine it necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or errors.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to the Company's system of internal control and financial sustainability which is dependent upon close involvement of the Board of Directors .Where Independent confirmation of the completeness of accounting records was therefore not available we accepted assurances from the Board of Directors that all transactions have been reflected in Accounting records and adequately supported by relevant third party documents. Also where independent confirmation of future financial sustainability is uncertain, we have accepted assurances from Board of Directors that they will be able to secure financial resources to enable it running as a going concern in the foreseeable future.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

This report, including the opinion, has been prepared for and only for Texpol Development Company Ltd as a body in accordance with the Tanzanian Companies Act,2002 and not for other purpose.

BONDAY CONSULTANCY SERVICES

P.O. Box 40508,
DAR ES SALAAM

30TH DEC
....., 2024



Ezekiel G. Hosea

CPA EZEKIEL G. HOSEA
MANAGING PARTNER

TEXPOL DEVELOPMENT COMPANY LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 TZS	2022 TZS
REVENUE	3	-	2,356,620,987
LESS: COSTS OF INVESTMENT SOLD	4	-	2,479,102,791
GROSS PROFIT/ (LOSS)		-	(122,481,804)
LESS: OPERATING EXPENSES			
ADMINISTRATIVE COSTS	5	5,390,000	7,670,000
FINANCE COSTS	6	210,000	1,750,000
TOTAL OPERATING EXPENSES		5,600,000	9,420,000
Profit/(Loss) before Depreciation		(5,600,000)	(131,901,804)
Less: Depreciation	2	112,000	1,696,000
Profit/(Loss) after Depreciation		(5,712,000)	(133,597,804)
Profit/(Loss) for the Year		(5,712,000)	(133,597,804)
Less: Loss on Valuation		-	(1,970,671,511)
Comprehensive Profit/(Loss) for the Year		(5,712,000)	(2,104,269,315)



The notes on pages 13 to 20 form part of this Financial Statement
Report of the Auditors on Pages 6 to 8


.....
Managing Director


.....
Director

Date: 29/12/2024


TEXPOL DEVELOPMENT COMPANY LTD
STATEMENT OF FINANCIAL POSITION
FOR THE YERA ENDED 31ST DECEMBER 2023

ASSETS	Note	2023	2022
		TZS	TZS
NON - CURRENT ASSETS			
Property Plant and Equipment	2	250,000	362,000
Construction of Mini Grid (Distribution Line)	8	2,479,102,791	2,479,102,791
		<u>2,479,352,791</u>	<u>2,479,464,791</u>
CURRENT ASSETS			
Cash and Cash equivalent	9	250,000	251,481,402
Trade Debtors	10	235,662,099	235,662,099
Stocks	11	-	-
Total Current Assets		<u>235,912,099</u>	<u>487,143,501</u>
TOTAL ASSETS		<u><u>2,715,264,890</u></u>	<u><u>2,966,608,292</u></u>
CURRENT LIABILITIES			
Creditors and Accruals	12	1,500,000	700,000
Share Holders funds & Other Stake Holders	13	4,815,338,205	5,061,769,607
		<u>4,816,838,205</u>	<u>5,062,469,607</u>
AUTHORIZED SHARE CAPITAL			
Ordinary Shares	15	<u>30,000,000</u>	<u>30,000,000</u>
EQUITY AND LIABILITIES			
Advance Towards Share Capital	14	30,000,000	30,000,000
Profit/(Loss) Brought Forward		(2,125,861,315)	(21,592,000)
Profit/(Loss) for the Year		(5,712,000)	(2,104,269,315)
NON- CURRENT LIABILITIES		<u>(2,101,573,315)</u>	<u>(2,095,861,315)</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,715,264,890</u></u>	<u><u>2,966,608,292</u></u>



The notes on pages 13 to 20 form part of this Financial Statement

Report of the Auditors on Pages 6 to 8


.....
Managing Director

Date: 29/12/2024


.....
Director

TEXPOL DEVELOPMENT COMPANY LTD
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31ST DECEMBER 2023

	Authorized Ordinary Shares TSHS	Advance Towards Capital	Retained Earnings TSHS	TOTAL TSHS
As at 1st January, 2023	30,000,000			-
Advance Towards Capital		30,000,000		30,000,000
Profit/(Loss) carried Forward			(2,125,861,315)	(2,125,861,315)
Profits/(Loss) for the year			(5,712,000)	(5,712,000)
31st December, 2023	30,000,000	30,000,000	(2,131,573,315)	(2,101,573,315)


The notes on pages 13 to 20 form part of this Financial Statement

Report of the Auditors on Pages 6 to 8



Managing Director





Director

Date: 29/12/2024

TEXPOL DEVELOPMENT COMPANY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	NOTE	2023 TZS	2022 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) for the year		(5,712,000)	(2,104,269,315)
Add: non cash items;			
Depreciation		112,000	1,696,000
Prior Year Adjustment			
Operating Profit/(Loss) before working capital changes		(5,600,000)	(2,102,573,315)
(Increase)/Decrease in receivables		-	(235,662,099)
Increase/(Decrease) in Payables and Provisions		800,000	-
Net cash in flows/(outflow) from operating activities		(4,800,000)	(2,338,235,414)
CASH FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		-	-
Sale of Power Distribution Network		-	1,970,671,511
Net cash flow /(outflows) from investing activities		-	1,970,671,511
CASH FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Share Capital		-	-
Share Holders funds & Other Stake Holders		(246,431,402)	618,795,305
Net cash out flows/inflows from financing operations		(246,431,402)	618,795,305
Net increase/Decrease in cash and cash equivalent		(251,231,402)	251,231,402
CASH AND CASH EQUIVALENT			
Beginning of the year		251,481,402	250,000
End of the year	9	250,000	251,481,402



The notes on pages 13 to 20 form part of this Financial Statement

Report of the Auditors on Pages 6 to 8


.....
Managing Director

Date: 29/12/2024


.....
Director

TEXPOL DEVELOPMENT COMPANY LTD
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31ST DECEMBER 2023

2 PROPERTY PLANT AND EQUIPMENT

COST/VALUATION	Land & Buildings 5% TZS	Motor Vehicles 25% TZS	Furniture & Fittings 12.5% TZS	Computers 33% TZS	TOTAL TZS
As at 1st January,2023	-	-	500,000	4,950,000	5,450,000
Addition during the year	-	-	-	-	-
As at 31st December 2023	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>4,950,000</u>	<u>5,450,000</u>
DEPRECIATION					
As at 1st January 2023	-	-	187,500	4,900,500	5,088,000
Charge for the year	-	-	62,500	49,500	112,000
As at 31st December 2023	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>4,950,000</u>	<u>5,200,000</u>
Net Carrying Amount					
As at 31st Dec 2023	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
As at 31st Dec 2022	<u>-</u>	<u>-</u>	<u>312,500</u>	<u>49,500</u>	<u>362,000</u>

TEXPOL DEVELOPMENT COMPANY LTD
NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
3 INCOME		
Disposal of Transmission Network	-	2,356,620,987
TOTAL SALES	<u>-</u>	<u>2,356,620,987</u>
4 COSTS OF INVESTMENT		
Cost of Construction Works	-	
Costs of Investment Available for Use	-	2,479,102,791
COSTS OF INVESTMENT	<u>-</u>	<u>2,479,102,791</u>
5 OPERATING EXPENSES		
Salaries & Wages	400,000	600,000
Electricity & Water	250,000	250,000
Office Equipments	-	-
Printing & Stationary	550,000	650,000
Telephone & Postages	650,000	750,000
Tansportation	240,000	120,000
Preparation of Business Plan	-	-
Feasibility Study	-	-
Consultancy Services	-	-
Travelling and Site Inspection	2,600,000	4,600,000
Accounting and Audit Fee	700,000	700,000
	<u>5,390,000</u>	<u>7,670,000</u>
6 FINANCE COST		
Bank Charges	210,000	1,750,000
	<u>210,000</u>	<u>1,750,000</u>
7 DEPRECIATION		
Annual Depreciation Charge	112,000	1,696,000
	<u>112,000</u>	<u>1,696,000</u>

TEXPOL DEVELOPMENT COMPANY LTD
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
8 INVESTMENT IN TRANSMISSION NETWORK		
Construction of Mini Grid (Distribution Line) Cost	2,479,102,791	4,449,774,302
Adjustment of Costs by Tanesco Auditors	-	(1,970,671,511)
Agreed Total investment in Transmission Network	<u><u>2,479,102,791</u></u>	<u><u>2,479,102,791</u></u>
9 CASH AND CASH EQUIVALENT		
Cash on Hand	-	-
Bank Balance	250,000	251,481,402
Total	<u><u>250,000</u></u>	<u><u>251,481,402</u></u>
10 TRADE RECEIVABLES		
TanESCO	235,662,099	235,662,099
	<u><u>235,662,099</u></u>	<u><u>235,662,099</u></u>
11 STOCKS	-	-
Electrical Materials & Other Consumables	<u><u>-</u></u>	<u><u>-</u></u>
12 CREDITORS AND ACCRUALS		
Provision of Accounting and Audit Fee	1,500,000	700,000
	<u><u>1,500,000</u></u>	<u><u>700,000</u></u>
13 DIRECTORS FUNDS		
Share Holders Funds & Other Stake Holders	5,061,769,607	5,061,769,607
	<u><u>5,061,769,607</u></u>	<u><u>5,061,769,607</u></u>
14 ADVANCE TOWARDS SHARE CAPITAL		
Advance towards Capital	<u><u>30,000,000</u></u>	<u><u>30,000,000</u></u>
15 EQUITY		
Authorised Share Capital		
Ordinary Shares	<u><u>30,000,000</u></u>	<u><u>30,000,000</u></u>

TEXPOL DEVELOPMENT COMPANY LTD
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST DECEMBER 2023

16 COMPARATIVE

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

17 GOING CONCERN

Texpol Development Company LTD Share Holders and Directors confirms that in the event the Company fails to meet its maturing obligation they can assist to avail funds to the company

18 MANNING LEVELS

The number of staff for Texpol Development Company Limited during the year 2023 is fairly good.

19 CURRENCY

These Financial Statements are presented in Tanzanian Shillings (TZS)

TEXPOL DEVELOPMENT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. PRINCIPAL ACCOUNTING POLICIES

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

1.1 Basis of preparation.

These financial statements have been prepared under the historical cost convention. No other procedure has been adopted to reflect the impact on the financial statements of specific price changes in the general level of prices.

Statement of compliance

The financial statements of **TEXPOL DEVELOPMENT COMPANT LTD** have been prepared in accordance with International Financial Reporting Standards. (IFRS).

2. Summary of significant accounting policies

a) Revenue recognition

Revenue which comprises mainly of Management Fee is recognized on accrual basis.

b) Property, Plant and Equipment

Property, Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated on a straight-line basis over the useful life of the assets. However, there were no Property, Plant and Equipment during the year under review.

c) Depreciation of Assets

Depreciation of assets begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale in accordance to IFRS 5 and the date that the asset is de-recognized.

Depreciation is calculated on a straight-line method, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are: -

	Rate
Buildings	5%
Motor vehicles	37.5%
Furniture and Fittings	12.5%
Office Equipment	12.5%
Computers	33%
Equipment & Machinery	12.5%

d) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents comprise of investments in money market instruments (fixed deposits) with maturity periods of three months or less.

e) Functional and Presentation Currency

The financial statements are presented in Tanzania Shillings, which is the Company's functional and presentation currency.

f) Translations and Balances

Foreign currency transactions are translated into Tanzania shillings at the rate of exchange ruling at the date of the transactions.

Monetary assets and liabilities at the year end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year. The resultant gains/losses on exchange rate transactions are dealt with in the statement of comprehensive income.

g) Employees Benefits

TEXPOL DEVELOPMENT COMPANY LTD has statutory obligations to contribute to the National Social Security Fund (NSSF) in favor of all the employees employed under permanent and pensionable terms.

h) Account receivables

Receivables are recognized and carried at original 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.

i) Provisions

Provisions are made when the Company has a present obligation, as a result of past events where 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 for the amount of the obligation.

j) Operating and other payables

Liabilities are carried at cost, which is the fair value of the consideration to be paid in the future for services received, whether or not billed to the Company.