

LN FUTURE BUILDING MATERIALS CO. LIMITED

TIN NO: 117-117-162

VRN NO: 40-019378-B

P.O BOX 14957 DAR ES SALAAM

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

**PZM ACCOUNTING AND AUDITING
CERTIFIED PUBLIC ACCOUNTANTS AND AUDITORS**

LN FUTURE BUILDING MATERIALS CO. LIMITED

P.O BOX 14957 DAR ES SALAAM

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

CORPORATE INFORMATION

Composition of Board of Directors

NAME	POSITION	NATIONALITY	SHARES		VALUE
SUNFANG	MANAGING DIRECTOR	CHINESE	-	-	-
WANGRUNZE	NON EXECUTIVE DIRECTOR	CHINESE	127,500	1,000	127,500,000
LUOWEI		CHINESE	122,500	1,000	122,500,000

Registered Office

Kisemvule Industrial Area
Plot No. 46
Kisemvule
Mkuranga District
Coast Region

Accountants

PZM Accounting and Auditing
Certified Public Accountants
Renaissance Plaza
Plot No. 498 Haile Selassie Rd.
P.O Box 10399 , Dar es Salaam Tanzania

Principal Bankers

CRDB Bank Plc
Stanbic Bank
Standard Chartered Bank

LN FUTURE BUILDING MATERIALS CO. LIMITED

P.O BOX 14957 DAR ES SALAAM

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 INTRODUCTION

The Directors have pleasure to present this Report and the Audited Financial Statements for the year ended 31st December 2022, which disclose the state of affairs of the Company.

2 STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Companies Act 2002, requires the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of financial year and of its profit or loss for that period.

It also requires the Directors to ensure that the Company maintains proper accounting records, that disclose with reasonable accuracy at any time the financial position of the Company. Directors are also responsible for safeguarding the Assets of the Company and hence take reasonable steps for prevention and detection of frauds and other irregularities.

The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

3 PRINCIPAL ACTIVITIES

The Principal activity of the Company is Manufacturing & Selling of Aluminium Profile.

4 RESULTS

The results for the period and the appropriation thereof are set out on page 5

5 DIRECTORS

The present membership of the Board is set out on page 1.

6 EMPLOYEES WELFARE

(a) Medical

The Company provides for incidental medical treatment expenses arising in the course of their duties.

(b) Financial assistance to employees

The Company gives financial assistance to employees in form of loans and advances depending on the financial ability of the Company.

7 EFFORTS TO SECURE NATIONAL BENEFITS AND GOALS

The Company supports the National economy by striving to purchase goods at the most competitive rates in the international and local markets in order to meet local demand.

8 SOLVENCY

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 the Company has adequate resources to continue in operational existence for the foreseeable future

9 ADMINISTRATIVE EFFICIENCY

All statutory dues and financial obligations were paid regularly and within stipulated time. Company's assets are adequately insured.

10 AUDITORS

The Auditors, PZM Accounting and Auditing, have expressed their willingness to be re-appointed for the next year. A resolution proposing the re-appointment of PZM Accounting and Auditing as an Auditor of the Company for next year will be put to Annual General Meeting.

BY ORDER OF THE BOARD

DIRECTOR

Signature.....

LN FUTURE BUILDING MATERIALS CO. LIMITED


REPORT AND FINANCIAL STATEMENTS

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING

31 DECEMBER 2022

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned. It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 Directors Responsibility statement on page 2.

I **EMMANUEL DENNIS** being the Head of Finance/Accounting of **LN Future Building Materials Co. Limited**, hereby acknowledge my responsibility of ensuring that financial statements for the year ended **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 position of **LN Future Building Materials Co. Limited** as on that date and that they have been prepared based on properly maintained financial records.

Signed by:  Position:
..... **CONSULTANT** NBAA Membership No.:
..... **GA 8191** Date:

Independent Auditors Report.

To the shareholders of LN FUTURE BUILDING MATERIALS CO.LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of LN FUTURE BUILDING MATERIALS CO.LTD set out on pages 2 to 13, which comprise the Statement of Financial Position as at 31st December, 2022, and the statement of Profit or Loss and Other 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 Financial Statements present fairly, in all material respects, the financial position of LN FUTURE BUILDING MATERIALS CO.LTD as at 31st December, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002 of Tanzania.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 independence requirements applicable to performing audits of financial statements in Tanzania, United Republic of. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Tanzania, United Republic of. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 2002 of Tanzania, United Republic of Tanzania, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 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 concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's Financial Reporting Process.

Auditor's responsibilities for the audit of the Financial Statements

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 International Standards on Auditing 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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout 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.
- 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 the directors.
- Conclude on the appropriateness of the director'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.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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, 2002 of Tanzania and for no other purposes.

As required by the Companies Act, 2002 of Tanzania we report to you, based on our audit, that:

- In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books;
- The company's statement of financial position and the statement of comprehensive income and statement of profit or loss are in agreement with the books of account;
- The directors' report is consistent with the financial statement; and
- Information specified by law regarding Directors' remuneration and transactions with the company is disclosed.

.....
Signed by: KAUNDA MARTIN MACHONDO (ACPA-PP 807)
For and on behalf of PZM Accounting and Auditing.
* P. O. BOX 10399 *
Certified Public Accountants in Public Practice
DAR ES SALAAM

Date:

LN FUTURE BUILDING MATERIALS CO. LIMITED

STATEMENT OF PROFIT OR LOSS

AS AT 31 DECEMBER 2022

	Notes	<u>2022</u> <u>Tshs.</u>	<u>2021</u> <u>Tshs.</u>
<u>INCOME</u>			
Revenue		21,985,223,729	20,470,391,882
Cost of Sales	7	22,047,804,489	18,701,049,606
Gross profit		(62,580,760)	1,769,342,276
Other income; Land Sales		2,383,789,481	-
Realized Exchange Gain		(96,980,679)	(156,914,867)
		<u>2,224,228,043</u>	<u>1,612,427,409</u>
<u>LESS: EXPENDITURE</u>			
Employment	8	53,651,289	52,153,043
Establishment	9	836,427,319	780,101,620
Administration	10	1,146,482,461	673,455,300
Financial	12	13,721,637	11,686,544
		<u>2,050,282,706</u>	<u>1,517,396,508</u>
Net profit/(Loss) Before tax		<u>173,945,337</u>	<u>95,030,902</u>
Income Tax Expense	14	-	-
Net profit/(Loss) after tax		173,945,337	95,030,902
Add: Retained profit (loss) B/fwd		(4,273,158,765)	(4,368,189,667)
Retained Profit/(Loss) C/fwd to next year		<u>(4,099,213,428)</u>	<u>(4,273,158,765)</u>

Note 1-20 form part of the financial statements

LN FUTURE BUILDING MATERIALS CO. LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

<u>ASSETS</u>	NOTES	<u>2022</u>	2021
<u>Non current assets</u>		<u>Tshs.</u>	<u>Tshs.</u>
Property, Plant and Equipments	13	3,262,865,726	3,675,534,757
		<u>3,262,865,726</u>	<u>3,675,534,757</u>
<u>Current assets</u>			
Inventories & Raw Materials	7	3,546,962,560	3,321,930,921
Bank & Cash	3	1,324,098,494	380,204,416
Taxation		51,900,000	39,900,000
Debtors & Other receivables	4	1,866,354,693	1,931,586,430
		<u>6,789,315,747</u>	<u>5,673,621,766</u>
Total assets		<u>10,052,181,473</u>	<u>9,349,156,524</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Capital and Reserves</u>			
Capital		6,552,023,589	6,552,023,589
Reserve & Surplus - (Profit and Loss Account)		(4,099,213,428)	(4,273,158,765)
		<u>2,452,810,161</u>	<u>2,278,864,824</u>
<u>Long term Liabilities</u>			
Loan from foreign financiers(China)		1,392,796,466	1,392,796,466
Loan from foreign financiers(Singapore)		616,720,000	605,800,000
Loan from Wangrunze		3,503,000,000	1,158,000,000
		<u>5,512,516,466</u>	<u>3,156,596,466</u>
<u>Current liabilities</u>			
Trade Payables/Creditors	5	1,995,019,197	3,514,800,427
Other payables		91,835,650	398,894,808
Current Tax		-	-
		<u>2,086,854,847</u>	<u>3,913,695,234</u>
Total Equity and liabilities		<u>10,052,181,473</u>	<u>9,349,156,524</u>

Above statement of Financial Position includes all our Assets and Liabilities. No expenses of personal or Capital nature have been charged against revenue account. The stock is valued at cost or net realizable value, whichever is lesser. To the best of my knowledge and belief, the above statement of financial position gives a true and fair view of the state of affairs of the business.

DIRECTOR



LN FUTURE BUILDING MATERIALS CO. LIMITED

STATEMENT OF CASH FLOW

31 DECEMBER 2022

	<u>2022</u>	<u>2021</u>
	<u>Tshs.</u>	<u>Tshs.</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit before tax	173,945,337	95,030,902
Adjustment for: Depreciation	836,427,319	780,101,620
Operating profit before Working Capital Changes	<u>1,010,372,656</u>	<u>875,132,522</u>
Working Capital changes:		
(Increase)/Decrease in Debtors and Prepayments	65,231,737	123,738,369
(Increase)/Decrease in stock	(225,031,639)	(866,691,171)
Increase/(Decrease) in creditors	(1,826,840,387)	(2,851,690,623)
Increase/(Decrease) in Taxation	-	-
	<u>(1,986,640,290)</u>	<u>(3,594,643,425)</u>
Cash generated from operations	(976,267,634)	(2,719,510,904)
Less: Tax paid during the year	(12,000,000)	(12,000,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	A <u>(988,267,634)</u>	<u>(2,731,510,904)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(831,050,287)	(1,284,579,767)
Disposal of Asset	407,291,999	-
NET CASHFLOW USED IN INVESTING ACTIVITIES	B <u>(423,758,288)</u>	<u>(1,284,579,767)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase(decrease) Loan from China	-	-
Increase(decrease) Loan from Singapore	10,920,000	(1,040,000)
Increase(decrease) Loan from Wangrunze	2,345,000,000	-
Increase in Capital	-	-
NET CASH FLOW FROM FINANCING	C <u>2,355,920,000</u>	<u>(1,040,000)</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	A+ <u>943,894,078</u>	<u>(4,017,130,671)</u>
Cash & Cash equivalent as at the beginning of the year	380,204,416	4,397,335,086
Cash & Cash equivalent as at the end of the year	<u>1,324,098,494</u>	<u>380,204,416</u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

STATEMENT OF CHANGES IN OWNERS EQUITY

31 DECEMBER 2022

	Share Capital		Retained earnings		Total Equity
	<u>TZS</u>		<u>TZS</u>		<u>TZS</u>
Share capital At 01 January 2022	6,552,023,589	-	4,273,158,765		2,278,864,824
Adjustment as per IAS 8	-		-		-
Retained earning b/forward	-		-		-
Profit/(Loss) for the year 2022			<u>173,945,337</u>		<u>173,945,337</u>
Retained earning at the end 2022	<u><u>6,552,023,589</u></u>		<u><u>(4,099,213,428)</u></u>		<u><u>2,452,810,161</u></u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANCE OF ACCOUNTING POLICIES

General Information

The Principal activity of the Company is Manufacturing & Selling of Aluminium Profile.

2. Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the International financial Reporting Standards for Small and Medium -sized entities Issued by the International Accounting standards board, They are prepared in Currency units of Tanzanian Shillings

a Accounting Convention

As in the previous years the financial statement have been prepared under the historical cost convention. A summary of more important accounting policies is set out below.

b Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation . continuing existence and usage of fixed assets is certified by the Management.

c Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives on reducing installment basis, The following annual rates are used for this purpose

Motor Vehicle	37.5% p.a
Furniture & Fixtures	10% p.a
Machinery & Equipment	10% p.a

If there is an indication that there has been a significant change in depreciation rate, useful life, or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

d Inventories.

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is Calculated using first in, first out (FIFO Method)

e Trade and other receivables

. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest.

f Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.
Trade Payables denominated in a foreign currency are translated into Tanzania Shillings
at Reporting date Foreign Exchange gains or losses are included in other income .

g Bank loans and overdrafts

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

2 REGROUPINGS

Previous years figures have been re-grouped/re-arranged whenever necessary so as to make them comparable with current year figures.

	2022	2021
	<u>Tshs.</u>	<u>Tshs.</u>
3 CASH AND BANK BALANCE		
Cash in hand	109,473,193	104,915,169
Fixed Deposit USD	-	-
CRDB Bank USD	614,514	6,281,144
CRDB Bank TZS	843,557,664	254,481,049
Stanbic TZS	532,706	532,706
Stanbic USD	356,681,245	201,219
Standard Chartered TZS	13,239,171	13,484,171
Standard Chartered USD	-	308,958
	<u>1,324,098,494</u>	<u>380,204,416</u>
4 DEBTORS & PREPAYMENT		
Trade debtors	1,866,354,693	1,709,415,637
Advance to our Supplier	-	-
VAT Receivable	-	222,170,792
	<u>1,866,354,693</u>	<u>1,931,586,430</u>
5 CREDITORS & ACCRUALS		
Trade Creditors	1,995,019,197	3,514,800,427
VAT Advance Payment	40,241,004	387,711,318
PAYE Payable	287,025	227,005
SDL Payable	4,522,705	4,348,985
Vat Payable	34,536,416	-
NSSF Payable	7,513,500	6,607,500
WHT Payable	4,735,000	-
	<u>2,086,854,847</u>	<u>3,913,695,234</u>
6 TAXATION		
Balance as at 1st January	(39,900,000)	(27,900,000)
Provision for the year	-	-
Less: Tax paid during the year	<u>(12,000,000)</u>	<u>(12,000,000)</u>
Balance at the end	<u>(51,900,000)</u>	<u>(39,900,000)</u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

31 DECEMBER 2022

	2022	2021
	<u>Tshs.</u>	<u>Tshs.</u>
7 Cost of Sales		
Opening Stock	-	-
Finished goods	1,880,738,447	1,844,250,002
Raw materials	1,441,192,474	610,989,748
Work in progress	-	-
	<u>3,321,930,921</u>	<u>2,455,239,750</u>
Add: Purchases	19,086,996,353	17,160,118,166
Less: Closing Stock		
Finished goods	919,902,560	1,880,738,447
Raw materials	2,627,060,000	1,441,192,474
Work in progress	-	-
	<u>(3,546,962,560)</u>	<u>(3,321,930,921)</u>
Direct Material Costs	<u>18,861,964,714</u>	<u>16,293,426,995</u>
Add: Direct Costs		
Diesel	281,872,000	198,027,500
Nitric Acid	30,206,881	8,688,373
Salary and Wages	504,379,500	478,569,700
SDL	20,175,180	19,068,188
Transportation	160,491,123	84,276,238
Water and Electricity	760,930,835	723,084,227
Rent	45,000,000	45,000,000
Ammonia	60,995,409	20,928,255
Clearance Fees	693,897,049	609,534,888
Caustic Soda	64,200,000	32,100,000
Machinery Repair	508,501,297	178,424,157
Phosphorus Acid	55,190,500	9,921,085
	<u>3,185,839,775</u>	<u>2,407,622,611</u>
Total Cost of Sales	<u>22,047,804,489</u>	<u>18,701,049,606</u>
8 Employment		
WCF	2,911,289	3,788,843
NSSF	50,740,000	48,364,200
	<u>53,651,289</u>	<u>52,153,043</u>
9 Establishment		
Depreciation	836,427,319	780,101,620
	<u>836,427,319</u>	<u>780,101,620</u>
10 Administration		
Business License, Visa and other fees	19,492,700	58,640,400
Motorvehicle Fuel	24,362,860	21,649,706
Audit & Professional fees	46,452,552	41,460,171
Office running expenses	51,496,089	9,657,130
Office Printing & Stationery	17,902,813	2,181,991
Motorvehicle Repairs and Maintenance	62,622,348	26,817,640
Repairs and Maintenance	470,319,554	163,940,987
Motorvehicle Parking Fees	148,254	236,548
Insurance Fees	5,026,000	10,169,000
Security Service	4,700,000	50,295,944
Tax Penalties/TRA	186,249,895	164,583,514
Miscellaneous/Office Maintain	43,802,221	10,817,157
City Service levy	65,955,690	61,411,191
Service Fees	39,301,500	8,495,859
Medicine	15,360,800	3,596,773
Entertainment Expense	35,638,683	31,445,853
Travelling	49,402,500	1,587,188
TIC	-	833,250
Osha	8,248,000	4,170,000
Environmental Protection Fees	-	1,015,000
Stamp Duty	-	450,000
	<u>1,146,482,461</u>	<u>673,455,300</u>
12 Finance		
Bank charges	13,721,637	14,918,638
Interests	-	(3,232,093)
	<u>13,721,637</u>	<u>11,686,544</u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

P.O BOX 14957 DAR ES SALAAM

FINANCIAL STATEMENTS

FOR THE YEAR ENDING DECEMBER 2022

NOTES (Continued)

13 FIXED ASSETS:

	COMPUTER	MOTORVEHICLE	MOTORVEHICLE	INDUSTRIAL GENERATOR & MACHINERY	INDUSTRIAL BUILDING	LAND	Total
COST							
At 1st January 2022	3,745,054	198,864,406	135,691,967	6,222,593,693	1,535,177,185	407,291,999	8,503,364,304
Additions	-	43,008,475	339,286	575,496,609	212,205,917	-	831,050,287
Disposals/Transfer	-	-	-	-	-	(407,291,999)	(407,291,999)
As at 31 December 2022	<u>3,745,054</u>	<u>241,872,881</u>	<u>136,031,253</u>	<u>6,798,090,302</u>	<u>1,747,383,102</u>	<u>-</u>	<u>8,927,122,592</u>
DEPRECIATION							
At 1st January 2022	3,561,982	95,362,023	79,075,612	4,035,759,057	614,070,873	-	4,827,829,546
Charge for the period	68,652	54,941,572	14,238,910	679,809,030	87,369,155	-	836,427,319
Disposals/Transfer	-	-	-	-	-	-	-
As at 31 December 2022	<u>3,630,634</u>	<u>150,303,595</u>	<u>93,314,522</u>	<u>4,715,568,087</u>	<u>701,440,028</u>	<u>-</u>	<u>5,664,256,866</u>
NET BOOK VALUE							
As at 31 December 2022	<u>114,420</u>	<u>91,569,286</u>	<u>42,716,731</u>	<u>2,082,522,214</u>	<u>1,045,943,075</u>	<u>-</u>	<u>3,262,865,726</u>
As at 31 December 2021	<u>183,072</u>	<u>103,502,383</u>	<u>56,616,355</u>	<u>2,186,834,636</u>	<u>921,106,313</u>	<u>407,291,999</u>	<u>3,675,534,757</u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

31 DECEMBER 2022

14 WEAR & TEAR SCHEDULE

	CLASS 1	CLASS 1	CLASS 2	CLASS 3	CLASS 6	TOTAL
	COMPUTER	MOTORVEHICLE	MOTORVEHICLE	INDUSTRIAL GENERATOR & MACHINERY	INDUSTRIAL BUILDING	LAND
COST						
At 1st Jan 2022	3,745,054	198,864,406	135,691,967	6,222,593,693	1,535,177,185	407,291,999
Additions	-	43,008,475	339,286	575,496,609	212,205,917	-
Disposals	-	-	-	-	-	(407,291,999)
As at 31st December 2022	<u>3,745,054</u>	<u>241,872,881</u>	<u>136,031,253</u>	<u>6,798,090,302</u>	<u>1,747,383,102</u>	<u>-</u>
Wear & Tear Allowance						
Claimed upto 1st January	3,561,982	95,362,023	79,075,612	4,035,759,057	614,070,873	-
Annual rate for the year	68,652	54,941,572	14,238,910	345,291,406	87,369,155	-
50% for additions	-	-	-	-	-	-
Total W & T	<u>3,630,634</u>	<u>150,303,595</u>	<u>93,314,522</u>	<u>4,381,050,463</u>	<u>701,440,028</u>	<u>-</u>
Net Book Value 2022	<u>114,420</u>	<u>91,569,286</u>	<u>42,716,731</u>	<u>2,417,039,839</u>	<u>1,045,943,075</u>	<u>-</u>
						<u>8,927,122,592</u>
						<u>8,503,364,304</u>
						<u>831,050,287</u>
						<u>(407,291,999)</u>
						<u>4,827,829,546</u>
						<u>501,909,695</u>
						<u>5,329,739,241</u>
						<u>3,597,383,351</u>

LN FUTURE BUILDING MATERIALS CO. LIMITED

31 DECEMBER 2022

<u>15 COMPUTATION OF INCOME TAX</u>		<u>Tshs.</u>
		<u>2022</u>
Profit / (Loss) as per accounts		173,945,337
<u>Add:</u>		
<u>Non allowable Expenses</u>		
Depreciation		836,427,319
TRA/Tax Penalties		186,249,895
		1,196,622,551
<u>Less:</u>		
Wear & Tear Allowance	14	<u>501,909,695</u>
Adjusted profit / (Loss)		694,712,856
Loss brought forward		(4,273,158,765)
Tax Relief b/f		-
Adjusted profit / (Loss) before tax		(3,578,445,909)
Tax Provision		-
Adjusted profit After Tax		<u>(3,578,445,909)</u>
Tax Provision		-
<u>Less:</u>		
Tax Under provision		-
Tax credit B/fwd		-
Tax paid during the year		(12,000,000)
Tax Paid on Assessment		-
Tax Provision for the year		<u>(12,000,000)</u>

16 WEAR & TEAR SCHEDULE

Cost as at 01.01.2022	8,503,364,304
Addition during the year	831,050,287
Total	<u>9,334,414,591</u>
<u>Less Wear & Tear:</u>	
On opening	4,827,829,546
Charged for the year	501,909,695
On addition	-
Total	<u>5,329,739,241</u>
W.D.V. as at 31.12.2022	<u>4,004,675,350</u>