

Honle Electric East Africa Limited

(Registration number 137886170)

Financial statements

for the year ended December 31, 2023

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

General Information

| | |
|--|---|
| Country of incorporation and domicile | United Republic of Tanzania |
| Nature of business and principal activities | Import and selling of Electrical Equipments |
| Directors | Feng Jun Feng Qinyong Yang Cao Xinzhi |
| Registered office | New Bagamoyo Road Mbezi Beach Area P O Box 76350 Dar es salaam Tanzania |
| Practitioners | M/s Balakrishna Sreekumar & Co. Certified Public Accountants P O Box 948 Dar es Salaam Tanzania |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Index

| | Page |
|--|-------------|
| The Report by Those Charged with Governance | 3 - 6 |
| Directors' Responsibilities and Approval | 7 |
| Declaration of Head of Finance | 8 |
| Practitioner's Compilation Report | 9 |
| Statement of Financial Position | 10 |
| Statement of Profit or Loss and Other Comprehensive Income | 11 |
| Statement of Changes in Equity | 12 |
| Statement of Cash Flows | 13 |
| Accounting Policies | 14 - 21 |
| Notes to the Financial Statements | 22 - 26 |
| Detailed Income Statement | 27 - 28 |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

The Report by Those Charged with Governance

The members charged with governance have pleasure in submitting their report on the financial statements of Honle Electric East Africa Limited for the year ended December 31, 2023.

1. Nature of business

Honle Electric East Africa Limited was incorporated in United Republic of Tanzania with interests in the Import and selling of Electrical Equipments. The company primarily caters to the Tanzanian Market. Company operates in legislative and regulatory environment of United Republic of Tanzania.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards except to the compliance of "IFRS 9 - Financial Instruments" and "IFRS 16 - Leases" for which directors do not see any material impact on the Financial Statements and the requirements of the Tanzanian Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the year ended December 31, 2023 of TSh(000) 145,138. The net profit after tax of the prior year was TSh(000)65,216. This has been added to retained earnings.

Company revenue increased by 73% from TSh(000)3,996,219 in the prior year to TSh(000)6,922,849 for the year ended December 31, 2023. The increase in revenue was as a result of the good orders in hand.

3. Stakeholder's Relationship

The members charged with governance has identified categories of stakeholders which are Government, employees, regulators, suppliers, customers, lenders, and the general community. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

4. Directorate

The directors in office at the date of this report are as follows:

| Directors | Date of birth | Nationality |
|---------------|---------------|-------------|
| Feng Jun Feng | 22/10/1981 | Chinese |
| Qinyong Yang | 11/11/1981 | Chinese |
| Cao Xinzhi | 20/04/1988 | Chinese |

5. Corporate Governance matters

The Board of directors consists of 03 Directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of 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 Board is required to meet at least four times a year. The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

6. Objective and strategies of the entity

The Company's primary aim is to deliver best product/ services to the customers and be the market leader in the product / services it deals in. Company wishes to optimize the profits and maximize the shareholder's value. Company's strategies to attain the above stated objectives includes:

- Focus on profit margins
- Benchmark business's performance
- Assess the effectiveness of cost management measures
- Evaluate business productivity
- Develop new business strategies
- Expanding to new markets
- Increase employees productivity

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

The Report by Those Charged with Governance

7. Resources

During the year, there have been no major changes in entity's resources which primarily includes financial resources, intellectual resources, human resources, social resources and natural resources

8. Capital Structure and Cash Flows

There have been no changes to the authorised or issued share capital during the year under review. The capital structure of the Company is outlined in note 8

Refer to note 8 of the financial statements for detail of the movement in authorised and issued share capital.

The company's cash flows can be analyzed from the cashflows statement under three areas of cashflows from operating activities, cashflows from investing activities and cashflows from financing activities. Members charged with governance have reviewed the company's cash flow forecast for the year to December 31, 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

9. Liquidity

During the financial year ended December 31, 2023, the company managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the company's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents.

The company has financing arrangements with banks/related parties. Details of the borrowings are disclosed in note

10. Principal Risks, Uncertainties and Opportunities

The members charged with governance 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 operation;
- 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 Members those charged with governance assessed the internal control systems throughout the year ended December 31, 2023 and is of the opinion that they met accepted criteria.

11. Political and Charitable Donations

The Company did not make any political and charitable donations during the year ended December 31, 2023.

12. Employees welfare

a) Management /Employee relationship

The management /employees relationship was cordial throughout the year. There were no unresolved complaints received by the management from the employees during the year.

b) Financial assistances

Financial assistance is available to all employees depending on the need and the ability of the company to offer the financial assistance.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

The Report by Those Charged with Governance

13. Disabled Persons and Gender Balance

Disabled Persons

The Company has an equal opportunity for everyone and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the company continues and appropriate training is arranged.

Gender Balance

The Company's recruitment policy is to give equal opportunity to all people on recruitment process to fill vacant employment posts. Thus, the company does not discriminate between male and female applicants to the vacant posts. In this regard, great care is taken when implementing the policy in order to ensure that education/professional qualifications, competencies and key attributes which are the basic criteria for selection and appointment, is not compromised.

14. Members those charged with governance interests in contracts

During the financial year, no contracts were entered into which Members those charged with governance or officers of the company had an interest and which significantly affected the business of the company.

15. Predjudicial Issues

The directors are not aware of any issues which may be predjudicial to copmany's affairs.

16. Events after the reporting period

The Members those charged with governance are not aware of any material event which occurred after the reporting date and up to the date of this report.

17. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Members those charged with governance believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The Members those charged with governance have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Members those charged with governance are not aware of any new material changes that may adversely impact the company. The Members those charged with governance are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

The Report by Those Charged with Governance

18. Appointment of Practitioners

Balakrishna Sreekumar & Co were appointed as the practitioners of the company's financial statements for the year ended December 31, 2023 in duly constituted previous annual general meeting and they have expressed their willingness for their appointment.

19. Responsibility of The Those Charged with Governance

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1st January, 2021.

Members those charged with governance are required in terms of the Tanzanian Companies Act 2002 to maintain adequate accounting records and is 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 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

This report and financial statements set out on pages 10 to 26, which have been prepared on the going concern basis, were approved by the members charged with the governance on 27/06/2024, and were signed on its behalf by:

By Order of the Members of those charged with governance



Director



Director

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Directors' Responsibilities and Approval

The directors are required in terms of the Tanzanian 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 and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial statements are prepared in accordance with International Financial Reporting Standards except to the compliance of "IFRS 9 - Financial Instruments" and "IFRS 16 - Leases" for which directors do not see any material impact on the Financial Statements 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 board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the 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 minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

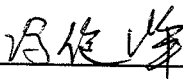
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to December 31, 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent compilers is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's independent compilers and their report is presented on pages 10 to 9.

The financial statements set out on pages 10 to 26, which have been prepared on the going concern basis, were approved by the board of directors on 27/01/2024 and were signed on their behalf by:

By Order of the Board



Director



Director

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Declaration of Head of Finance

Declaration of the head of finance/accounting of Honle Electric East Africa 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/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 an earlier page.

I ASSA THABITI..... being the Head of Finance/Accounting of Honle Electric East Africa Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended December 31, 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 Honle Electric East Africa Limited as on December 31, 2023 and that they have been prepared based on properly maintained financial records.

Signed by: Wch.....

Position: Consultant.....

NBAA Membership No: ACPA 4429.....

28 June 2024

PRACTITIONER'S COMPILATION REPORT
HONLE ELECTRIC EAST AFRICA LIMITED

To the members of Messrs HONLE ELECTRIC EAST AFRICA LIMITED

We have compiled the accompanying financial statements of Messrs HONLE ELECTRIC EAST AFRICA LIMITED, set out on pages 10 to 28 which comprise the Statement of financial position as at 31 December 2023, and the Statement of Profit or Loss, Statement of Changes in Equity and Cash flows Statements for the year then ended, and Accounting Policies and notes to the accounts.

In our opinion, the financial statements set out on pages 10 to 28 are in agreement with the books of accounts produced to us, namely;

- Cash book
- Ledger book
- Journal book

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Tanzanian Companies Act 2002 of United Republic of Tanzania, which we obtained prior to the date of this report.

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 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 compiling 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. Our responsibility is only to compile the financial statements from the books of accounts produced to us.



Dr. B.S. Sreekumar
Managing Partner
Balakrishna Sreekumar & Co.
Certified Public Accountants

28 JUN 2024

Dar es Salaam

Honle Electric East Africa Limited

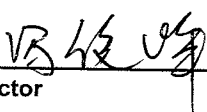
(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Statement of Financial Position as at December 31, 2023

| | Note(s) | 2023 TSh '000 | 2022 TSh '000 |
|-------------------------------------|---------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 577,506 | 108,925 |
| Deferred tax | 4 | 3,954 | - |
| | | 581,460 | 108,925 |
| Current Assets | | | |
| Inventories | 5 | 5,762,765 | 88,765 |
| Trade and other receivables | 6 | 2,741,338 | 434,532 |
| Cash and cash equivalents | 7 | 607,783 | 65,743 |
| | | 9,111,886 | 589,040 |
| Total Assets | | 9,693,346 | 697,965 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital | 8 | 500,000 | 500,000 |
| Retained income | | 239,435 | 135,290 |
| | | 739,435 | 635,290 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 9 | 8,900,694 | 8,671 |
| Tax payable | | 53,217 | 54,004 |
| | | 8,953,911 | 62,675 |
| Total Equity and Liabilities | | 9,693,346 | 697,965 |

The financial statements and the notes on pages 10 to 26, were approved by the board of directors on the 27/06/2024 and were signed on its behalf by:



Director



Director

The accounting policies on pages 14 to 21 and the notes on pages 22 to 26 form an integral part of the financial statements.

Report of the Practitioners' - Page 9

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Statement of Profit or Loss and Other Comprehensive Income

| | Note(s) | 2023 TSh '000 | 2022 TSh '000 |
|--|---------|------------------|------------------|
| Revenue | 10 | 6,922,849 | 3,996,219 |
| Cost of sales | 11 | (5,222,365) | (3,650,873) |
| Gross profit | | 1,700,484 | 345,346 |
| Other operating expenses | | (1,490,461) | (251,665) |
| Profit before taxation | | 210,023 | 93,681 |
| Taxation | 12 | (64,885) | (28,465) |
| Profit for the year | | 145,138 | 65,216 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 145,138 | 65,216 |

The accounting policies on pages 14 to 21 and the notes on pages 22 to 26 form an integral part of the financial statements.

Report of the Practitioners' - Page 9

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Statement of Changes in Equity

| | Share capital | Retained income | Total equity |
|--|----------------|-----------------|-----------------|
| | TSh '000 | TSh '000 | TSh '000 |
| Balance at January 1, 2022 | 500,000 | 70,074 | 570,074 |
| Profit for the year | - | 65,216 | 65,216 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the year | - | 65,216 | 65,216 |
| Balance at January 1, 2023 | 500,000 | 135,291 | 635,291 |
| Profit for the year | - | 145,138 | 145,138 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the year | - | 145,138 | 145,138 |
| Prior year taxes | - | (40,994) | (40,994) |
| Total contributions by and distributions to owners of company recognised directly in equity | - | (40,994) | (40,994) |
| Balance at December 31, 2023 | 500,000 | 239,435 | 739,435 |

Note(s)

8

The accounting policies on pages 14 to 21 and the notes on pages 22 to 26 form an integral part of the financial statements.

Report of the Practitioners' - Page 9

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Statement of Cash Flows

| | Note(s) | 2023 TSh '000 | 2022 TSh '000 |
|---|---------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 210,023 | 93,681 |
| Adjustments for: | | | |
| Depreciation | | 59,343 | 20,886 |
| Prior year taxes | | (40,994) | - |
| Changes in working capital: | | | |
| Inventories | | (5,674,000) | 120,000 |
| Trade and other receivables | | (2,306,806) | 668,159 |
| Trade and other payables | | 8,892,024 | (1,024,386) |
| Cash (used in) generated from operations | | 1,139,590 | (121,660) |
| Tax paid | 14 | (69,626) | (2,000) |
| Net cash from operating activities | | 1,069,964 | (123,660) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (527,924) | (7,604) |
| Net cash from investing activities | | (527,924) | (7,604) |
| Cash flows from financing activities | | | |
| Total cash movement for the year | | 542,040 | (131,264) |
| Cash at the beginning of the year | | 65,743 | 197,007 |
| Total cash at end of the year | 7 | 607,783 | 65,743 |

The accounting policies on pages 14 to 21 and the notes on pages 22 to 26 form an integral part of the financial statements.

Report of the Practitioners' - Page 9

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") except to the compliance of "IFRS 9 - Financial Instruments" and "IFRS 16 - Leases" for which directors do not see any material impact on the Financial Statements and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Tanzanian Companies Act 2002.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Annual Rate (%) |
|------------------------|---------------------|-----------------|
| Buildings | Straight line | 5 |
| Furniture and fixtures | Straight line | 12.5 |
| Motor vehicles | Straight line | 25 |
| Office equipment | Straight line | 12.5 |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.3 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.4 Financial instruments (continued)

Note Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses) (note).

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.5 Tax

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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.5 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.6 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.8 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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The company contributes to the National Social Security Fund. This is a statutory contribution scheme registered under the National Social Security Fund Act, 1997. The company's obligations under the scheme are limited to specific contributions from time to time. The company's contributions to the scheme are charged to the income statement in the period in which they relate.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.9 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.10 Revenue from contracts with customers

The company recognises revenue from the following major sources:

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.11 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Accounting Policies

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Notes to the Financial Statements

| 2023 | 2022 |
|----------|----------|
| TSh '000 | TSh '000 |

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after January 1, 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after January 1, 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

2.2 Standards and Interpretations early adopted

The company has chosen not to early adopt any standards and interpretations:

2.3 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after January 1, 2024 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

The impact of this amendment is currently being assessed.

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Notes to the Financial Statements

3. Property, plant and equipment

| | 2023 | | 2022 | |
|------------------------------|---------------------|--------------------------|----------------|---------------------|
| | Cost or revaluation | Accumulated depreciation | Carrying value | Cost or revaluation |
| Buildings Structure | 526,328 | (21,930) | 504,398 | - |
| Furniture and fixtures | 9,905 | (3,790) | 6,115 | 9,905 |
| Motor Vehicles | 67,570 | (63,083) | 4,487 | 67,570 |
| Office equipment & furniture | 133,723 | (71,217) | 62,506 | 132,127 |
| Computers | 8,209 | (8,209) | - | 8,209 |
| Total | 745,735 | (168,229) | 577,506 | 217,811 |
| | | | | (108,886) |
| | | | | 108,925 |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Notes to the Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company

| | Buildings Structure | Furniture and fixtures | Motor vehicles | Office equipment | IT equipment | Total |
|------------------------------------|------------------------|---------------------------|-------------------|---------------------|----------------|------------------|
| Cost | | | | | | |
| At January 1, 2022 | - | 4,550 | 67,570 | 132,127 | 5,960 | 210,207 |
| Additions | - | 5,355 | - | - | 2,249 | 7,604 |
| At December 31, 2022 | - | 9,905 | 67,570 | 132,127 | 8,209 | 217,811 |
| Additions | 526,328 | - | - | 1,596 | - | 527,924 |
| At December 31, 2023 | 526,328 | 9,905 | 67,570 | 133,723 | 8,209 | 745,735 |
| Depreciation and impairment | | | | | | |
| At January 1, 2022 | - | (1,502) | (39,064) | (43,612) | (3,822) | (88,000) |
| Depreciation | - | (1,050) | (7,126) | (11,065) | (1,645) | (20,886) |
| At December 31, 2022 | - | (2,552) | (46,190) | (54,677) | (5,467) | (108,886) |
| Depreciation | (21,930) | (1,238) | (16,893) | (16,540) | (2,742) | (59,343) |
| At December 31, 2023 | (21,930) | (3,790) | (63,083) | (71,217) | (8,209) | (168,229) |
| Carrying amount | | | | | | |
| Cost | - | 9,905 | 67,570 | 132,127 | 8,209 | 217,811 |
| Accumulated depreciation | - | (2,552) | (46,190) | (54,677) | (5,467) | (108,886) |
| At December 31, 2022 | - | 7,353 | 21,380 | 77,450 | 2,742 | 108,925 |
| Cost | 526,328 | 9,905 | 67,570 | 133,723 | 8,209 | 745,735 |
| Accumulated depreciation | (21,930) | (3,790) | (63,083) | (71,217) | (8,209) | (168,229) |
| At December 31, 2023 | 504,398 | 6,115 | 4,487 | 62,506 | - | 577,506 |

4. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

| | | |
|--------------------|-------|---|
| Deferred tax asset | 3,954 | - |
|--------------------|-------|---|

5. Inventories

| | | |
|---------------|-----------|--------|
| Stock in hand | 5,762,765 | 88,765 |
|---------------|-----------|--------|

6. Trade and other receivables

Financial instruments:

| | | |
|----------------------|-----------|---------|
| Trade receivables | 2,651,884 | 434,532 |
| Advance to suppliers | 81,920 | - |

Non-financial instruments:

| | | |
|-----|-------|---|
| VAT | 7,534 | - |
|-----|-------|---|

| | | |
|--|------------------|----------------|
| Total trade and other receivables | 2,741,338 | 434,532 |
|--|------------------|----------------|

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Notes to the Financial Statements

| | 2023 TSh '000 | 2022 TSh '000 |
|---|------------------|------------------|
| 7. Cash and cash equivalents | | |
| Cash and cash equivalents consist of: | | |
| Cash on hand | 12,372 | 20,020 |
| Bank balances | 595,411 | 45,723 |
| | 607,783 | 65,743 |
| 8. Share capital | | |
| Authorised | | |
| 1,000 Ordinary shares of Tzs 500,000 each | 500,000 | 500,000 |
| Reconciliation of number of shares issued: | | |
| Reported as at January 1, 2023 | 1,000 | 1,000 |
| Issued | | |
| 1,000 Ordinary Shares of Tzs 500,000 each | 500,000 | 500,000 |
| 9. Trade and other payables | | |
| Financial instruments: | | |
| Trade payables | 548,337 | - |
| Other accruals | 332,949 | 8,671 |
| Other payables | 4,876,208 | - |
| Amounts received in advance | 3,143,200 | - |
| | 8,900,694 | 8,671 |
| 10. Revenue | | |
| Revenue from contracts with customers | | |
| Sales Revenue | 6,877,692 | 3,996,219 |
| Repairing Services | 45,157 | - |
| | 6,922,849 | 3,996,219 |
| 11. Cost of sales | | |
| Cost of Goods Sold | | |
| Opening Stock | 88,765 | 208,765 |
| Purchases & Direct Expenses | 10,896,365 | 3,530,873 |
| Closing Stock | (5,762,765) | (88,765) |
| | 5,222,365 | 3,650,873 |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Notes to the Financial Statements

| | 2023 TSh '000 | 2022 TSh '000 |
|---|------------------|------------------|
| 12. Taxation | | |
| Major components of the tax expense | | |
| Current | | |
| Local income tax - current period | 68,839 | 28,465 |
| Deferred | | |
| Deferred tax credit on Temporary Differences | (3,954) | - |
| | 64,885 | 28,465 |
| 13. Employee costs | | |
| Employee costs | | |
| Salaries & Wages | 59,430 | 69,225 |
| WCF | - | 692 |
| Casual Wages | 47,087 | - |
| NSSF | 1,194 | 6,923 |
| | 107,711 | 76,840 |
| 14. Tax payable/(receivable) | | |
| Balance at beginning of the year | (54,004) | (27,539) |
| Current tax for the year recognised in profit or loss | (68,839) | (28,465) |
| Balance at end of the year | 53,217 | 54,004 |
| Tax paid | (69,626) | (2,000) |

15. Implementation of "IFRS 9- Financial Instruments" and "IFRS 16 - Leases"

The company has not yet adopted IFRS 9 - Financial Instruments and IFRS 16 - Leases and further related pronouncements as in the opinion of directors, the impact of these two accounting standards is not material over the financial statements.

16. Country of incorporation

The company was incorporated in Tanzania under the Companies Act, 2002.

17. Currency

These financial statements are presented in Tanzanian Shillings (TSh '000).

18. Comparatives

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

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Detailed Income Statement

| | Note(s) | 2023 TSh '000 | 2022 TSh '000 |
|------------------------------------|---------|--------------------|--------------------|
| Revenue | | | |
| Sale of goods | | 6,877,692 | 3,996,219 |
| Repairing Income | | 45,157 | - |
| | 10 | 6,922,849 | 3,996,219 |
| Cost of sales | | | |
| Opening stock | | (88,765) | (208,765) |
| Purchases & Direct Expenses | | (10,896,365) | (3,530,873) |
| Closing stock | | 5,762,765 | 88,765 |
| | 11 | (5,222,365) | (3,650,873) |
| Gross profit | | 1,700,484 | 345,346 |
| Expenses (Refer to page 28) | | (1,490,461) | (251,665) |
| Profit before taxation | | 210,023 | 93,681 |
| Taxation | 12 | (64,885) | (28,465) |
| Profit for the year | | 145,138 | 65,216 |

Honle Electric East Africa Limited

(Registration number 137886170)

Financial Statements for the year ended December 31, 2023

Detailed Income Statement

| | Note(s) | 2023 TSh '000 | 2022 TSh '000 |
|---|---------|--------------------|------------------|
| Other operating expenses | | | |
| Accommodation Expenses | | (8,650) | - |
| Auditor's remuneration - external audit | | (15,600) | (300) |
| Bank charges | | (30,748) | (4,326) |
| Consulting and professional fees | | (40,065) | (2,742) |
| Depreciation | | (59,343) | (20,886) |
| Employee costs | | (107,711) | (76,840) |
| Entertainment | | (10,888) | - |
| Directors Fees | | (234,000) | - |
| Electricity Expenses | | (500) | (3,787) |
| Filing Fees | | (4,100) | - |
| Fuel Expenses | | (3,769) | (1,557) |
| Loading & Unloading | | (7,875) | - |
| Realized Exchange Loss | | (58,936) | - |
| Fines and penalties | | (817) | - |
| Insurance | | (12,277) | - |
| Rent | | (90,000) | (84,168) |
| City service levy | | (20,633) | (11,989) |
| Vehicle Running & Maintenance | | (5,449) | (18,892) |
| Office Expenses | | (118,560) | (19,525) |
| Postage | | (2,380) | - |
| Printing and stationery | | (798) | (1,262) |
| Repairs and maintenance | | (563,379) | (543) |
| Staff welfare | | (949) | - |
| License & Fees | | (1,250) | (2,900) |
| Telephone Expenses | | (1,645) | (1,600) |
| Travelling & Conveyance | | (90,139) | (348) |
| | | (1,490,461) | (251,665) |