



CONSULTANCY SERVICE

CERTIFIED PUBLIC
ACCOUNTANT

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4. REPORT ON THE FINANCIAL STATEMENTS

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial affairs of the **KAD INDUSTRIES LIMITED** as at 31st December 2024, and of its financial performance and its cash flows for the twelve-month then ended in accordance with International financial Reporting Standards (IFRS).

The system of control is dependent upon close involvement of the Directors. Where independent confirmation of the completeness of the accounting record was not available, we accepted assurances from the Director that all transactions have been reflected in the records.

What we have audited the financial statements of **KAD INDUSTRIES LIMITED** set out on pages 13 to 18 comprise:

- statement of financial position as at 31st December 2024;
- statement of financial performance for the year then ended;
- statement of changes in equity for the year then ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

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 Association's financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have audited the accompanying financial statements of **KAD INDUSTRIES LIMITED**, which comprise the financial statement as at 31st December 2024, the Statement of profit or loss and other comprehensive income and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes

Directors' responsibility for the financial statements

As described in the report of the directors, the Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Tanzania Companies Act 2002. This responsibility includes: designing, implementing and maintaining internal control 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.



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Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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, the auditor considers internal control relevant to the entity'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 entity'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 of our audit opinion.

Report on 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 Tanzanian Companies Act 2002 and for no other purposes.

As required by the Tanzania Companies Act 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed. There is no matter to report in respect of the foregoing requirements.

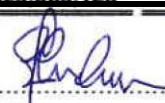

JM CONSULTANCY SERVICE
Certified Public Accountants
DAR ES SALAAM



KAD INDUSTRIES LIMITED D
STATEMENT OF FINANCIAL AS AT
31ST DECEMBER, 2024

	NOTE	31.12.2024 TSHS	31.12.2023 TSHS
NON-CURRENT ASSETS			
Property, Plant & Equipment	2	1.336.520,637	1.681.206,086
CURRENT ASSETS			
Receivables, Deposits and prepayments	3	2.989.807,734	2.778.557,732
Prepaid Others			
Cash and Cash Equivalent	4	2,740.751	450.000
TOTAL CURRENT ASSETS		2,992,548.486	2,779,007,733
TOTAL ASSETS		413291069!123	4,4601213.819
EQUITY & LIABILITIES			
EQUITY			
Capital		10,000,000	10,000,000
Accumulated Profit/(Loss)		3,426,357,442	3,847,573,231
TOTAL EQUITY		3,436,357,442	3,857,573.231
LIABILITIES			
Current Liabilities			
Payables & Accrues	5	89,271,680	60,264,589
TOTAL LIABILITIES		892,711,680	602,640.589
TOTAL EQUITY AND LIABILITIES		4,329,069,123	4,460,213,819

....., 2025


 Director

KAD INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED 31ST DECEMBER, 2024

	NOTE	31-12-2024 TSHS	31.12.2023 TSHS
INCOME			
Sales		1,144,020,718	1,991,448,557
		<u>1,144,020,718</u>	<u>1,991,448,557</u>
		-	
Less: Cost of sale	6	282,452,000	533,276,990
Total Purchases		282,452,000	533,276,990
Gross Income /(Loss)		861,568,718	1,458,171,567
Less: Administration Expenses	7	400,405,410	384,059,066
Depredation		344,685,449	681,523,709
Audit Fee		<u>1,000,000</u>	<u>1,500,000</u>
		746,090,859	1,067,082,775
Other income			
Net Income /(Loss)		115,477,859	391,088,792
Taxation		<u>(34,643,358)</u>	<u>(117,326,638)</u>
Net Income		<u>80,834,501</u>	<u>273,762,154</u>

STATEMENT OF RETAJNEO EARNINGS

Balance on 1.1.2024	3,345,522,941	3,071,760,787
Income/(Loss) for the period	<u>80,834,501</u>	<u>273,762,154</u>
Balance on 31.12.2024	<u>3,426,357,442</u>	<u>3,345,522,941</u>

....., 2025

Director

KAD INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31ST DECEMBER, 2024

	31.12.2024	31.12.2023
	TSHS	TSHS
CASH FROM OPERATING ACTIVITIES		
Income/ (Loss) for the year	80,834,501	273,762,154
Adjustment for non-cash activities:		
Depreciation	344,685,449	681,523,709
Profit on Revaluation		
Operating Profit (Loss) before changes in working capital	<u>425,519,950</u>	<u>955,285,863</u>
Increase/ (Decrease) in Receivables	(211,250,002)	1,011,159,611
Increase/ (Decrease) in Payables	290,071,092	85,411,246
Increase/ (Decrease) in other payables	(502,050,289)	(2,169,628,720)
CASH GENERATED FROM OPERATIONS	<u>(423,229,200)</u>	<u>(1,073,057,863)</u>
Tax paid		
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	2,290,751	(117,772,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment		
Net Cash Flows from Investing Activities (B)		
CASH FLOW FROM FINANCING ACTIVITIES		
Capital (C)		
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C	2,290,751	(117,772,000)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	450,000	118,222,000
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	<u>2,740,751</u>	<u>450,000</u>

KAD INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE
PERIOD ENDED 31ST DECEMBER, 2024

	Contribution TSHS	Retained Earnings TSHS	Total TSHS
Balance 01.01.2023	10,000,000	3,345,522,941	3,355,522,941
Income/ (Loss) for the period		80,834,501	80,834,501
Balance 31.12.2024	<u>10,000,000</u>	<u>3,426,357,442</u>	<u>3,436,357,442</u>

KAD INDUSTRIES LIMITED**NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED
31ST DECEMBER, 2024****NOTE1****PRINCIPAL ACCOUNTING POLICIES**

- (a) **Basis of Accounting**
The Management Accounts have been prepared on the basis of historical cost convention and no adjustment have been made for inflationary factors affecting the accounts.
- (b). **Depreciation**
Depreciation of Property, Plant and Equipment is calculated to write off cost over the expected economic lives of the assets concerned using the straight-line method of depreciation. The annual rates of depreciation used for this purpose are:
- | | |
|------------------------|-------|
| Office equipment | 12.5% |
| Computer & Accessories | 37.5% |
| Furniture & Fittings | 12.5% |
- (c). Assets and liabilities denominated in foreign currencies are translated to Tshs at the rate of exchange ruling at the balance sheet date. Transactions during the year are translated at the rate ruling at the time of transaction to the income statement.

KAD INDUSTRIES LIMITED
NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED
31ST DECEMBER, 2024

NOTE2	PROPERTY, PLANT & EQUIPMENT				
	Land and Building	M/ Vehides	Machine and Equipment	Furniture & Fittings	Total
	5.0%	25.0%	12.5%	12.5%	
	TSHS	TSHS	TSHS	TSHS	TSHS
COST					
Balance at 1. 1. 24	849,100,675	13,739,792,852	2,031,745,566	386,097,756	17,006,736,849
Additions	849,100,675	13,739.792,852	2,031,745,566	386,097,756	17,006,736,849
Disposals					
Balance at 31.12.2024	849,100,675	13,739,792,352	2,031,745,566	386,097,756	17,006,736,849
DEPRECIATION					
Balance at 01.01.24	412,244,966	13,739,792,851	895,941,948	277,550,999	15,325,530,763
Charge this year	42,455,034		253,968, 1%	48,262,220	344,685,449
Disposals					
Balance at 31.12.2024	454,700,000	13,739,792,851	1,149,910,144	325,813,218	15,670,216,212
NBV 31.12.2024	39-4,-400,676		8B11835,423	60,784,538	1,336,520,637
NBV 31.12.2023	436,355,710		1,135,803,618	108,546,758	1,681,206,087

KAD INDUSTRIES LIMITED
**NOTES TO THE MANAGEMENT ACCOUNTS FOR THE PERIOD ENDED
 31ST DECEMBER, 2024**

	31.12.2024 TSHS	31.12.2023 TSHS
NOTE3	RECEIVABLES AND PREPAYMENT	
	11,400,000	11,400,000
	2,978,407,734	2,791,005,846
	2,989,807,734	2,802,405,846
NOTE4	CASH AND CASH EQUIVALENT	
	2,205,000	450,000
	535,750.50	677,644
	z140,1s1	1,127,644
NOTES	PAYABLES AND ACCRUALS	
	678,663,425	212,720,839
	214,048,255	389,919,750
	892,711,680	602,640,589
NOTES	COST OF SALE	
	282,452,000	533,276,990
	282,452,000	533,276,990
TOTAL	282,452,000	533,276,990

KAD INDUSTRIES LIMITED
 NOTES TO THE MANAGEMENT ACCOUNTS FOR THE
 31ST DECEMBER, 2024

	31.12.2024	31.12.2023
	TSHS	TSHS
NOTE7 ADMINISTRATION EXPENSES		
Salaries and wages	103,968,769	90,407,625
SOL	4,158,751	3,616,305
Newspapers and magazines	371,910	323,400
Transports	54,882,254	47,723,699
Stationeries, Printing & Postage	870,004	756,525
Permits	2,679,612	2,330,097
Telephone & Airtime	2,048,826	1,781,588
NSSF	10,396,877	9,040,763
Medical bills	3,606,199	3,136,825
MV Office costs	29,164,961	25,360,836
Insurance	11,155,972	9,700,845
Clearing and forwarding	74,347,674	64,650,152
Fumigation	870,004	756,525
Fire extinguisher	936,416	814,275
Electricity and Water	5,397,013	4,693,055
Tracking fees	4,953,044	4,306,995
Directors Fees	23,908,500	20,790,000
CSL	278,933	242,550
Bank charges and Interests	59,131,461	51,418,662
Adverts	810,233	704,550
Accountancy & Consultancy	1,078,000	1,078,000
Rent and Rates	<u>5,390,000</u>	<u>5,390,000</u>
	<u>400,405,410</u>	<u>349,022,270</u>