

**WATERCOM (T) LIMITED**  
**P.O. Box 20831,**  
**Dar es Salaam**  
**Annual Report 2023**

**WATERCOM (T) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023**

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**WATERCOM (T) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023**

**CORPORATE INFORMATION**

**Board of Directors**

<u>Name</u>	<u>Nationality</u>
Mr. Said Edha Nahdi	Tanzanian
Mr. Ameir Munif Nahdi	Tanzanian
Mr. Khalid Munif	Tanzanian

**Registered Office of the Company**

Plot No. 4004/4005/4006  
Kisarawe II Area, Kigamboni  
P.O Box 20831,  
Dar Es Salaam  
Tanzania

**Auditors**

Baker Tilly DGP & Co.,  
Certified Public Accountants  
P. O. Box 1314,  
Dar Es Salaam  
Tanzania

**Company Secretary**

Baker Tilly DGP & Co.,  
P. O. Box 1314,  
Dar Es Salaam  
Tanzania

**Bankers**

CRDB Bank PLC  
KCB Bank  
ABSA Bank  
NMB Bank Plc

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**DIRECTORS REPORT**

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31<sup>st</sup> December 2023, which disclose the state of affairs of the company.

**2. Principal Activities**

The company's principal activity continued to be that of manufacturing packaged drinking water for sale in domestic market.

Apart from above, there have been no major significant changes in the company's activities.

**3. Factors Affecting the Solvency of the Company**

The company's position as shown on page Nos: 9 of these financial statements is satisfactory.

**4. Administrative Efficiency**

Payments of all statutory dues such as Pay as you earn, National Social Security Fund, Skills & Development Levy, Workers Compensation Fund and VAT were made in time.

**5. Dividends**

The Directors of the company do not recommend any dividends for the year (2023: NIL).

**6. Related Party Transactions**

The company had related transactions with its associated companies and directors. All these transactions were carried out at an arms length.

**7. Directors**

The Directors of the company at the date of this report all of whom have served the board from 1<sup>st</sup> January 2023 were:

<u>Name</u>	<u>Nationality</u>	<u>Position Held</u>
Mr. Ameir Munif Nahdi	Tanzanian	Director
Mr. Khalid Munif Nahdi	Tanzanian	Director
Mr. Said Edha Nahdi	Tanzanian	Director

**8. Corporate Governance**

The Directors believe that high standard of corporate governance directly influence the confidence of the organization's stakeholders and investors. The Directors recognize the importance of integrity, transparency and responsibility.

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**9. Company Shareholding**

As at 31<sup>st</sup> December 2023 the company had three shareholders and there is no any change in the shareholding structure compared to previous year.

Directors as at 31<sup>st</sup> December 2023 are listed below:


**Ordinary Shares of T.shs 1,000/= each**

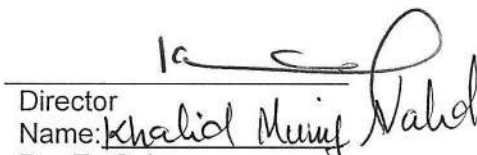
	<b>2023</b>	<b>2022</b>
	<b><u>No. of shares</u></b>	<b><u>No. of shares</u></b>
Mr. Ameer Munif Nahdi	3,334	3,334
Mr. Khalid Munif Nahdi	3,333	3,333
Mr. Said Edha Nahdi	<u>3,333</u>	<u>3,333</u>
<b>Totals</b>	<b><u>10,000</u></b>	<b><u>10,000</u></b>

**10. Auditors**

The external auditors, M/S BakerTilly DGP & Co have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

**By order of the Board**

  
Director  
Name: Said E. Nahdi  
Dar Es Salaam  
Date 07/11/2024

  
Director  
Name: Khalid Munif Nahdi  
Dar Es Salaam  
Date 07/11/2024

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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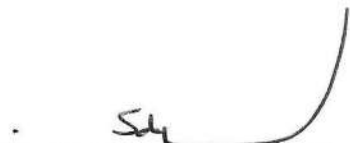
**STATEMENT OF DIRECTOR'S RESPONSIBILITY**

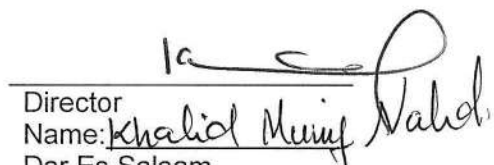
The Directors are required under the Companies Act, supplemented by International Financial Reporting Standards, to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. The auditors are responsible for reporting on these financial statements.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31<sup>st</sup> December 2023. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for prevention and detection of fraud or other irregularities.

The company's net current assets position is negative. There is no substantial concern over the going concern assertion of the company, keeping in view the support extended by the Directors and related parties.

  
Director  
Name: Saud F. Nahdi  
Dar Es Salaam  
Date 07/11/2024

  
Director  
Name: Khalid Muiny Nahdi  
Dar Es Salaam  
Date 07/11/2024

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**DECLARATION OF THE HEAD OF ACCOUNTING AND FINANCE**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/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 paragraph of Responsibilities of the Authorized Representatives on an earlier page.

I, NTULI GILBERT NOA being the ACCOUNTANT of Watercom (T) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31<sup>st</sup> December 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 Watercom (T) Limited on that date and that they have been prepared based on properly maintained financial records.

Signed by: \_\_\_\_\_

Position: \_\_\_\_\_

NBAA Membership No.: CPAT 9453

Date: 01 November 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
WATERCOM (T) LIMITED****Opinion**

We have audited the financial statements of Watercom (T) Limited, which comprise the Statement of Financial Position as at 31<sup>st</sup> December 2023, 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 accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 2002.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with The National Board of Accountants and Auditors (Code of Ethics) By - Laws, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw attention to:

**1. Material Uncertainty Related to Going Concern**

Without qualifying our opinion, we draw attention to Note 3.17 to the financial statements, which indicates that the Company incurred losses of 13,654.92 million for the year ended 31 December 2023 (2022: loss of 26,466.02 million) and as of that date, the accumulated losses were 71,624.97 million (2022: TZS 55,507.89) and the company's current liabilities exceeded the current assets by TZS 244,103 million (2022: TZS 179,177 million). These events or conditions, read in conjunction with other matters as set forth in Note 13.17 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concerns.

**2. Inventories have been valued and verified by the management.**

Our report is not modified in respect of the above matters.

**Other information**

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

**Partners:**K. S. Bhattbhatt (Tanzanian)  
Kailas K. Bhattbhatt (Tanzanian)  
Vishwanshu H. Trivedi (Indian)

### **Auditor's responsibilities for the audit of 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 disclosure 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.



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**

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) the director's report is consistent with the financial statements;
- iv) information specified by the law regarding director's remuneration and transactions with the Company is disclosed; and
- v) the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.

**For Baker Tilly DGP & Co.**  
Certified Public Accountants,



**Kailas K. Bhattbhatt**  
Partner

Place : Dar es Salaam  
Date : 6th November 2024


**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2023**

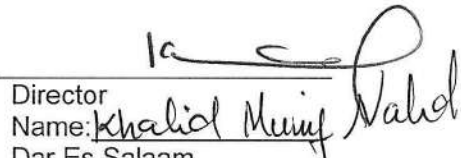
PARTICULARS	NOTE	2023 Tzs'000	2022 Tzs'000
Revenue		270,654,131	175,137,198
Cost of sales		<u>239,710,418</u>	<u>163,915,056</u>
Gross profit		30,943,713	11,222,142
Other income	4	<u>232,819</u>	<u>290,906</u>
		31,176,532	11,513,048
<b><u>Less: Expenses</u></b>			
Administrative expenses	5	(14,222,704)	(13,111,853)
Selling and distribution expenses	6	(16,019,201)	(12,755,101)
Financial expenses	7	<u>(3,462,338)</u>	<u>(3,129,651)</u>
		(33,704,243)	(28,996,605)
Profit / (Loss) before tax		(2,527,711)	(17,483,557)
Less : Tax expense / credit	8	<u>(11,127,211)</u>	<u>(8,982,463)</u>
<b>Profit / (Loss) after tax</b>		<b><u>(13,654,922)</u></b>	<b><u>(26,466,020)</u></b>
<b>Other comprehensive income / (loss)</b>			
Impairment of financial assets		6,508	(38,373)
<b>Total comprehensive income / (loss)</b>		<b><u>(13,648,414)</u></b>	<b><u>(26,504,394)</u></b>

The significant accounting policies on pages 12 to 17 and the notes on pages 18 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 26 were approved by the Board of Directors and signed on behalf by:

  
 Director  
 Name: Saud E. Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

  
 Director  
 Name: Khalid Muung Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

**WATERCOM (T) LIMITED**  
**P.O Box 20831, Dar Es Salaam**

**STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2023**

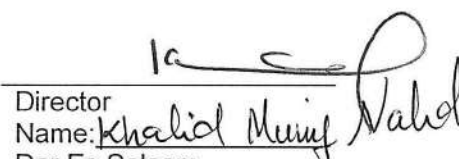
	NOTE	December 2023 Tzs'000	31st December 2022 Tzs'000
<b>Non current assets</b>			
Property, plant and equipment	16	259,994,125	229,695,663
Intangible assets	17	-	385
Capital work-in-progress		52,362,854	24,248,736
Deferred tax assets	8	2,169,106	10,532,196
		<u>314,526,085</u>	<u>264,476,980</u>
<b>Current assets</b>			
Inventories	9	22,267,312	34,194,613
Trade and other receivables	10	16,835,829	21,999,816
Cash and cash equivalents	11	17,961,729	6,261,326
		<u>57,064,870</u>	<u>62,455,755</u>
<b>Total assets</b>		<b><u>371,590,957</u></b>	<b><u>326,932,735</u></b>
<b>Equity</b>			
Share capital	12	10,000	10,000
Revaluation reserve		123,976,914	124,147,638
Retained earnings		(71,624,975)	(55,507,893)
Share application money		1,990,000	1,990,000
		<u>54,351,939</u>	<u>70,639,745</u>
<b>Non current liabilities</b>			
Deferred tax liabilities	8	16,071,182	14,660,332
		<u>16,071,182</u>	<u>14,660,332</u>
<b>Current liabilities</b>			
Trade and other payables	13	296,661,695	238,874,049
Provisions	14	2,265,875	1,621,615
Current tax	15	2,240,266	1,136,995
		<u>301,167,835</u>	<u>241,632,659</u>
<b>Total equity and liabilities</b>		<b><u>371,590,957</u></b>	<b><u>326,932,735</u></b>

The significant accounting policies on pages 12 to 17 and the notes on pages 18 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 26 were approved by the Board of Directors and signed on behalf by:

  
 Director  
 Name: Said E. Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

  
 Director  
 Name: Khalid Mung Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

**WATERCOM (T) LIMITED**  
**P.O Box 20831, Dar Es Salaam**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023**

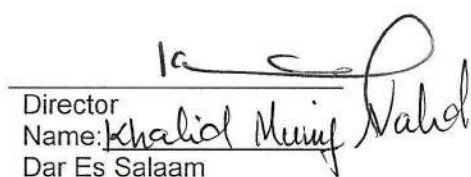
Particulars	Share capital Tzs'000	Revaluation reserve Tzs'000	Retained earnings Tzs'000	Total Tzs'000
<b>Year ended 31st December 2022</b>				
As at start of the year	10,000	124,318,362	(28,006,005)	96,322,357
Transfer of revaluation depreciation from res	-	(170,724)	-	(170,724)
Prior year adjustments	-	-	(997,494)	(997,494)
	10,000	124,147,638	(29,003,499)	95,154,139
Net profit / (loss)	-	-	(26,504,394)	(26,504,394)
<b>At the end of the year</b>	<b>10,000</b>	<b>124,147,638</b>	<b>(55,507,893)</b>	<b>68,649,745</b>
<b>Year ended 31st December 2023</b>				
As at start of the year	10,000	124,147,638	(55,507,893)	68,649,745
Transfer of revaluation depreciation from res	-	(170,724)	-	(170,724)
Prior year adjustments	-	-	(2,468,668)	- 2,468,668
	10,000	123,976,914	(57,976,561)	66,010,353
Net profit / (loss)	-	-	(13,648,414)	(13,648,414)
<b>At the end of the year</b>	<b>10,000</b>	<b>123,976,914</b>	<b>(71,624,975)</b>	<b>52,361,939</b>

The significant accounting policies on pages 12 to 17 and the notes on pages 18 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

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 Director  
 Name: Saud E. Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

  
 Director  
 Name: Khalid Muiny Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

**WATERCOM (T) LIMITED**  
**P.O Box 20831, Dar Es Salaam**

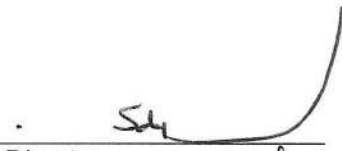
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023**

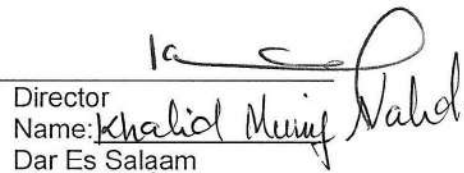
PARTICULARS	2023	2022
	Tzs'000	Tzs'000
<b><u>Cash flows from operating activities</u></b>		
Profit / (Loss) before tax	(2,527,711)	(17,483,557)
<u>Adjustment for:</u>		
Depreciation and amortisation	16,541,883	13,155,225
Impairment of financial assets	6,508.33	- 38,373
Prior period adjustment	(2,468,668)	(997,494)
	11,552,013	- 5,364,199
<u>Movements in working capital:</u>		
(Increase)/ decrease in inventories	11,927,300	10,287,318
(Increase)/ decrease in trade and other receivables	5,163,986	(9,752,365)
Increase/ (decrease) in trade and other payables	58,431,905	47,105,707
Cash generated from operations	87,075,204	42,276,462
Less: Taxes paid	(250,000)	(100,000)
<b>Net cash generated by operating activities (A)</b>	<b>86,825,204</b>	<b>42,176,462</b>
<b><u>Cash flow from investing activities</u></b>		
Payments of purchase of property, plant and equipment	(47,010,684)	(19,747,110)
cash paid for purchase of WIP	(28,114,118)	(17,660,008)
<b>Net cash (used in) / generated by investing activities (B)</b>	<b>(75,124,802)</b>	<b>(37,407,118)</b>
<b><u>Cash flow from financing activities</u></b>		
Proceed from issue of equity share capital	-	-
<b>Net cash (used in) / generated by financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>11,700,402</b>	<b>4,769,342</b>
Cash and cash equivalents at the beginning of the year	6,261,326	1,491,984
<b>Cash and cash equivalents at the end of the year</b>	<b>17,961,728</b>	<b>6,261,326</b>

The significant accounting policies on pages 12 to 17 and the notes on pages 18 to 26 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 26 were approved by the Board of Directors and signed on behalf by:

  
 Director  
 Name: Saud E. Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

  
 Director  
 Name: Khalid Muung Nahdi  
 Dar Es Salaam  
 Date 07/11/2024

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**1. GENERAL INFORMATION**

Watercom (T) Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The principal activities of the company are disclosed in the Directors Report.

The address of its registered office is:  
P O Box 20831,  
Plot No.4004/4005/4006, Kisarawe II, Kigamboni,  
Dar es Salaam -Tanzania

**2. ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS.**

**a) Standards, Amendments to the standards and Interpretations effective in the year 2020**

The following standards, amendments and new interpretations issued by the IFRIC and are mandatory for the accounting periods beginning on or after 1<sup>st</sup> January 2020:

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers
- IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40 - Transfers of Investment Property
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 28 - Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters

The adoption of these standards, amendments and interpretations has not led to any change in the accounting policies of the Company.

**b) Standards, Amendments and Interpretations issued, but not yet effective**

A number of new standards, amendments to standards and interpretations are effective for forthcoming periods and the Company had not adopted any of these Standards, Amendments of interpretations from an early date. The management does not foresee any major change in the accounting policies of the Company due to such amendments.

- IFRS 16 – Leases (effective from 1<sup>st</sup> January 2019)
- IFRS 17 – Insurance Contracts (effective from 1<sup>st</sup> January 2021)
- Amendments to IFRS 9 – Prepayment Features with Negative Compensation (effective from 1<sup>st</sup> January 2020)
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures (effective from 1<sup>st</sup> January 2020)
- Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs (*Part of Annual Improvements to IFRS Standards 2015 - 2017 Cycle*) (effective from 1<sup>st</sup> January 2020)
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement (effective from 1<sup>st</sup> January 2020)
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective period yet to be determined)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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- IFRIC 23 – Uncertainty over Income Tax Treatments (effective from 1<sup>st</sup> January 2020)

**3.SUMMARY OF ACCOUNTING POLICIES**

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

**3.1 BASIS OF PREPARATION**

The financial statements have been prepared on a going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Tanzania Shillings (TShs). The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments.

The Financial Statements are made for the period ended on 31<sup>st</sup> December 2023.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2

**3.2 REVENUE RECOGNITION**

Revenue is recognised when the goods are sold and is represented net of VAT.

**3.3 FOREIGN CURRENCY TRANSLATION**

**(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

**(ii) Transactions and balances**

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

**3.4 PROPERTY, PLANT AND EQUIPMENT**

All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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The company has adopted cost model for the valuation of assets as provided in IAS 16, Property, Plant and Equipment.

Depreciation is calculated using the Reducing Balance method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

	<b>Rate (%)</b>
Buildings	5.00
Motor Vehicles (Class II)	37.50
Saloon Cars	25.00
Air Conditioners	12.50
Plant & Machinery	12.50
Generator	12.50
Office & Factory equipment	12.50
Furniture, Fixture and Fittings	12.50
Computer & Office equipment	37.50

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

### **3.5 INTANGIBLE ASSETS**

The company has accounting software license and capitalized it on the basis of the cost incurred to acquire and bringing it to use. The costs are amortized using straight line method over the expected useful life of ten years. Costs incurred for updating or maintaining the computer software programs are recognized as an expense as and when incurred.

### **3.6 IMPAIRMENT OF ASSETS**

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists; the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**3.7 OPERATING & FINANCE LEASES**

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period. Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

**3.8 INVENTORIES**

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

**3.9 ACCOUNTS RECEIVABLE**

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

**3.10 CASH AND CASH EQUIVALENTS**

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

**3.11 BORROWINGS**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period they accrue unless they can be related, with certainty, to fixed assets construction projects in which case they are capitalised as part of the asset's cost.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**3.12 DEFERRED INCOME TAXES**

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

**3.13 TAXATION**

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

**3.14 EMPLOYEES BENEFITS**

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plan (NSSF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

**3.15 PROVISIONS**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**3.16 FINANCIAL RISK MANAGEMENT**

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

**Credit risk**

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via strictly credit terms.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

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**Foreign currency risk**

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, it is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The company is generally dealing in local currency and thus, it is not much exposed to foreign currency risk.

**Interest rates and liquidity risk**

Fluctuation in interest rates has impact on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. The company has availed long term and short term funding from the banks. The interest rates are dependent upon the market conditions and are subject to change. The said change can affect the profitability of the company. However, the management keeps a close watch on the developments in the market and accordingly takes steps to minimize the risk.

**3.17 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

**a) Critical accounting estimates and assumptions**

**Property, plant and equipment.**

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment and their residual values. The rates used are set out in Note 3.4 above.

**b) Critical judgement in applying the entity's accounting policies.**

In the process of applying the Company's accounting policies, management has made judgement in determining whether assets are impaired or not.

**c) Going Concern**

The financial statements have been prepared on the going concern basis, on the assumption that the company will continue its activities for the foreseeable future and the shareholders will extend their support as and when required.

**WATERCOM (T) LIMITED**  
**P.O Box 20831, Dar Es Salaam**

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

	<b>2023</b>	<b>2022</b>
	<b>Tzs'000</b>	<b>Tzs'000</b>
<b>3 Cost of sales</b>		
Opening stock of raw materials	30,346,756	15,220,664
Add: Purchases	164,488,795	111,314,363
Less: Closing stock of raw materials	<u>(20,495,987)</u>	<u>(30,346,756)</u>
Cost of material consumption	174,339,564	96,188,271
<b>Add: Direct costs</b>		
Salaries and wages - direct	1,817,581	1,388,890
Clearing and forwarding charges	4,878,757	2,354,137
Custom processing fees	245,997	25,937
Excise duty	17,270,161	14,603,225
Depreciation	8,903,771	9,294,617
wharfage Charges	1,769,732	1,655,356
Chemical cost	459,817	205,259
Fuel and Power expenses - direct	6,417,639	5,895,230
Repairs and maintenance - direct	16,049,995	2,383,616
RDL-expenses	1,695,356	655,897
Import duties expense	3,178,427	3,613,342
Government chemist laboratory expense	224,764	209,297
Tanzania atomic energy commission expenses	121,396	28,571
	<u>63,294,321</u>	<u>42,313,374</u>
Add : Opening stock of finished goods	3,847,857	29,261,268
Less: Closing stock of finished goods	1,771,325	3,847,857
<b>Total cost of sales</b>	<b><u>239,710,418</u></b>	<b><u>163,915,056</u></b>
<b>4 Other income</b>		
Interest income on related parties	232,819	290,906
<b>Total</b>	<b><u>232,819</u></b>	<b><u>290,906</u></b>
<b>5 Administrative expenses</b>		
Amortisation of intangibles	385	385
Audit fees	6,265	6,250
Salaries and wages - Admin	3,375,509	1,697,533
Depreciation	7,808,451	3,860,223
General insurance expenses	409,794	14,145
Dues, rates, fees and license charges	277,427	41,945
NSSF / PPF contribution - Admin	385,832	308,642
Rent - others	537,000	541,800
Professional and legal fees	28,258	51,031
SDL cost	147,657	123,457
Printing and stationery expenses	65,658	-
Security expenses	370,453	261,185
Staff welfare expenses	142,049	221,014
Subscription charges	71,800	-
Office expenses	43,197	3,478
Telephone and internet expenses	102,482	33,385

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

	<b>2023</b>	<b>2022</b>
	<b>Tzs'000</b>	<b>Tzs'000</b>
Transportation and travelling expenses	90,517	103,240
Fines and penalties	35,941	-
WCF contribution expenses	19,220	16,722
NHIF employer contribution	78,990	73,803
<b>Total</b>	<b>14,222,704</b>	<b>13,111,853</b>
<b>6 Selling and distribution expenses</b>		
City service levy charges	759,826	481,602
Sales and distribution expense	191,827	131,809
Power and fuel expenses-other	14,330,580	11,823,348
Transport and Travelling expenses	200,468	318,342
<b>Total</b>	<b>16,019,201</b>	<b>12,755,101</b>
<b>7 Financial expenses</b>		
Bank charges	387,290	839,823
Interest expense on related parties	3,075,048	2,292,010
Foreign exchange loss / (gain) - unrealised	-	(2,182)
<b>Total</b>	<b>3,462,338</b>	<b>3,129,651</b>
<b>8 Tax expenses</b>		
Current tax	1,353,271	875,686
Deferred tax	9,773,940	8,106,777
<b>Total</b>	<b>11,127,211</b>	<b>8,982,463</b>
<b>Reconciliation of tax expenses:</b>		
Net profit as per statement of profit or loss	(2,527,711)	(17,483,557)
Tax @ 30 % (2022: 30%)	(758,313)	(5,245,067)
Adjustment for:		
Alternate minimum tax	1,353,271	875,686
Others	10,532,253	13,351,844
<b>Tax expenses as per books</b>	<b>11,127,211</b>	<b>8,982,463</b>

**Break-up of deferred tax:**

Particulars	At start of the year	Charge to statement of profit or loss	Charged to equity	At end of the year
	Tzs'000	Tzs'000	Tzs'000	Tzs'000
<b>Deferred tax liabilities</b>				
Property, plant and equipment				
- accelerated capital allowance	(22,583,959)	1,462,067	-	(21,121,892)
- revaluation	37,244,291	(51,217)	-	37,193,074
	14,660,332	1,410,850	-	16,071,182
<b>Deferred tax asset</b>				
Tax losses carried forward	(10,532,196)	8,363,090	-	(2,169,106)
	(10,532,196)	8,363,090	-	(2,169,106)
<b>Net deferred tax liability / (asset)</b>	<b>4,128,136</b>	<b>9,773,940</b>	<b>-</b>	<b>13,902,076</b>

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

	<b>2023</b>	<b>2022</b>
	<b>Tzs'000</b>	<b>Tzs'000</b>
<b>9 Inventories</b>		
Closing stock of raw materials	20,495,987	30,346,756
Closing stock of finished goods	1,771,325	3,847,857
	<b>22,267,312</b>	<b>34,194,613</b>
<b>10 Trade and other receivables</b>		
Advance to suppliers	228,056	8,758,120
Interest receivable	1,393,171	1,393,171
Trade debtors	8,378,223	4,819,719
VAT receivable	380,616	47,857
Unclaimed VAT Input.	-	82,944
Due from associate companies and related parties	5,834,119	6,282,868
Import duties claimable	701,538	701,539
	<b>16,915,723</b>	<b>22,086,218</b>
Impairment of accounts receivable	<b>(79,894)</b>	<b>(86,402)</b>
	<b>16,835,829</b>	<b>21,999,816</b>

**Basis for impairment of financial assets**

i) Trade receivables are non-interest bearing and generally on 31 day terms. Day sales outstanding for 2023 was 31 days (2022:31 days)

ii) Other receivables are non interest bearing have an average term of 30-180 days.

iii) For terms and conditions of related amount due to related parties refer to Note 18

As at December 31, the ageing analysis of trade and other receivables was as follows (all balances are in TZS):

	<b>Total</b>	<b>&lt;90 days</b>	<b>90-180</b>	<b>180-1year</b>
At 31 December 2023				
<b><u>Prepayments and Advances</u></b>				
Gross amount (TZS)	228,056	228,056	-	-
Expected Credit Loss rate (%)		0.05%		
<b>Expected Credit Loss (TZS)</b>	<b>114</b>	114	-	-
<b><u>Related party balances</u></b>				
Gross amount (TZS)	5,834,119	5,834,119		
Expected Credit Loss rate (%)		0.50%		
<b>Expected Credit Loss (TZS)</b>	<b>29,171</b>	29,171		
<b><u>Trade and other receivables</u></b>				
Gross amount (TZS)	4,819,719	3,373,803	963,944	481,972
Expected Credit Loss rate (%)		0.5%	2%	3%
<b>Expected Credit Loss (TZS)</b>	<b>50,607</b>	16,869	19,279	14,459

	<b>2023</b>	<b>2022</b>
	<b>Tzs</b>	<b>Tzs</b>
At 1 January	86,400	48,027
Charge for the year	(6,508)	38,373
At 31 December	<b>79,892</b>	<b>86,400</b>

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

	<b>2023</b>	<b>2022</b>
	<b>Tzs'000</b>	<b>Tzs'000</b>
The allowance for expected credit losses/ impairment is made up as follows;		
Trade receivables	79,778	82,021
Other receivables	114	4,379
	<u><b>79,892</b></u>	<u><b>86,400</b></u>
<b>11 Cash and cash equivalents</b>		
Cash in hand	144,096	46,621
Cash at banks	17,817,633	6,214,705
	<u><b>17,961,729</b></u>	<u><b>6,261,326</b></u>
<b>12 Share capital</b>		
<u>Authorised capital</u>		
10,000 shares of Tzs 1,000/- each	<u>10,000</u>	<u>10,000</u>
 Issued and paid up share capital		
10,000 shares of Tzs 1,000/- each	<u>10,000</u>	<u>10,000</u>
	<u><b>10,000</b></u>	<u><b>10,000</b></u>
<b>13 Trade and other payables</b>		
Trade creditors	179,491,527	129,074,304
Other payables	1,288,293	463,054
Assessment tax payable	2,910,113	1,513,402
Interest payable on related parties	13,969,271	14,200,818
Advance from customers	216,504	16,724
Due to associate companies and related parties	98,508,454	93,596,716
Withholding tax payable	277,533	9,031
	<u><b>296,661,695</b></u>	<u><b>238,874,049</b></u>
<b>14 Provisions</b>		
NSSF / PPF payable	70,670	66,429
NHIF Payable	12,928	-
SDL and PAYE payable	31,900	37,179
WCF payable	1,766	1,661
City service levy payable	183,870	150,485
Audit fees payable	16,613	16,598
Salaries and Wages Payable	291,809	
Excise duty payable	1,656,318	1,349,263
	<u><b>2,265,875</b></u>	<u><b>1,621,615</b></u>
<b>15 Current tax</b>		
Tax Balance b/f	1,136,995	361,309
Provision for tax current year tax	1,353,271	875,686
Advance tax paid	(250,000)	(100,000)
	<u><b>2,240,266</b></u>	<u><b>1,136,995</b></u>

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

**16 a) Property, plant & equipment**

Particulars	Land	Building	Plant and machinery	Office furnitures and equipments	Factory equipment	Computers and accessories	Motor vehicles Class I	Motor vehicles Class II	Total
	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000	Tzs'000
<b>Cost</b>									
Balances at 1st January 2022	545,361	15,847,710	97,961,010	1,362,473	6,778,913	4,278	1,544,038	8,985,700	133,029,483
Additions	-	1,014,980	2,986,356	8,208,497	329,333	17,062	15,890	7,174,992	19,747,110
Balances at 31st December 2022	545,361	16,862,690	100,947,366	9,570,970	7,108,246	21,340	1,559,928	16,160,692	152,776,593
Balances at 1st January 2023	545,361	16,862,690	100,947,366	9,570,970	7,108,246	21,340	1,559,928	16,160,692	152,776,593
Additions	400,000	11,120,839	22,487,831	200,229	8,452,809	42,908	-	4,306,069	47,010,684
Balances at 31st December 2023	945,361	27,983,529	123,435,197	9,771,199	15,561,055	64,248	1,559,928	20,466,761	199,787,277
<b>Comprising:</b>									
Cost									
Revaluation	945,361	27,983,529	123,435,197	9,771,199	15,561,055	64,248	1,559,928	20,466,761	199,787,277
<b>Accumulated depreciation</b>									
Balances at 1st January 2022	-	2,326,577	24,599,522	517,558	1,798,297	4,082	1,122,828	3,704,864	34,073,728
Depreciation for the year	-	701,431	9,294,617	447,635	631,916	1,673	159,443	1,918,125	13,154,840
Balances at 31st December 2022	-	3,028,008	33,894,139	965,193	2,430,213	5,755	1,282,271	5,622,989	47,228,568
Balances at 1st January 2023	-	3,028,008	33,894,139	965,193	2,430,213	5,755	1,282,271	5,622,989	47,228,568
Depreciation for the year	-	1,058,622	8,903,771	1,100,751	1,641,355	21,935	104,121	3,710,943	16,541,498
Balances at 31st December 2023	-	4,086,630	42,797,910	2,065,944	4,071,568	27,690	1,386,392	9,333,932	63,770,066
<b>Carrying value</b>									
Balances at 31st December 2023	945,361	23,896,899	80,637,287	7,705,255	11,489,487	36,558	173,536	11,132,829	136,017,211
Balances at 31st December 2022	545,361	13,834,682	67,053,227	8,605,777	4,678,033	15,585	277,657	10,537,703	105,548,025

**WATERCOM (T) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**16 b) Property, Plant & Equipments (Revaluations)**

S/No	Particulars	COST OR VALUATIONS				DEPRECIATION			NET BLOCK	
		As At 1.1.2023 Tshs'000'	Additions Tshs'000'	Disposal Tshs'000'	As At 31.12.2023 Tshs'000'	As At 1.1.2023 Tshs'000'	Charge for the Year Tshs'000'	As At 31.12.2023 Tshs'000'	As At 31.12.2023 Tshs'000'	As At 31.12.2022 Tshs'000'
1	APARTMENT NO 4A FOURTH FLOOR LOCATED ON PLOT NO 35 EX-DAYA AREA IN ILALA CITY,	243,000	-	-	243,000	-	-	-	243,000	243,000
2	APARTMENT NO 6B (SIXTH FLOOR) LOCATED ON PLOT NO 35 EX-DAYA AREA IN ILALA CITY,	243,000	-	-	243,000	-	-	-	243,000	243,000
3	PLOTS NO 1 & 2 MAGOGONI BEACH AREA, KIGAMBONI-BUILDINGS	2,257,892	-	-	2,257,892	225,790	112,895	338,685	1,919,207	2,032,102
	PLOTS NO 1 & 2 MAGOGONI BEACH AREA, KIGAMBONI-LAND	9,697,000	-	-	9,697,000	-	-	-	9,697,000	9,697,000
4	PLOT NO 3 BLOCK "L" KIBADA UNGINDONI AREA IN TEMEKE MUNICIPALITY- BUILDINGS	18,600	-	-	18,600	-	-	-	18,600	18,600
	PLOT NO 3 BLOCK "L" KIBADA UNGINDONI AREA IN TEMEKE MUNICIPALITY- LAND	209,360	-	-	209,360	-	-	-	209,360	209,360
5	PLOT NO 89 BLOCK "D" TEMEKE USALAMA AREA IN TEMEKE- BUILDINGS	76,360	-	-	76,360	12,218	6,109	18,327	58,033	64,142
	PLOT NO 89 BLOCK "D" TEMEKE USALAMA AREA IN TEMEKE- LAND	46,500	-	-	46,500	-	-	-	46,500	46,500
6	PLOT NO 281 & 282 block "10" KIBADA AREA IN KIGAMBONI-BUILDINGS	199,600	-	-	199,600	39,920	19,960	59,880	139,720	159,680
	PLOT NO 281 & 282 block "10" KIBADA AREA IN KIGAMBONI-LAND	2,697,198	-	-	2,697,198	-	-	-	2,697,198	2,697,198
7	PLOT NO 2053 BLOCK "D" KIBADA KIZIZA AREA IN KIGAMBONI - BUILDINGS	70,800	-	-	70,800	28,320	14,160	42,480	28,320	42,480
	PLOT NO 2053 BLOCK "D" KIBADA KIZIZA AREA IN KIGAMBONI- LAND	1,769,360	-	-	1,769,360	-	-	-	1,769,360	1,769,360
8	PLOT NO 2109 BLOCK "G" MJI MWEMA AREA IN KIGAMBONI - BUILDINGS	44,000	-	-	44,000	35,200	17,600	52,800	(8,800)	8,800
	PLOT NO 2109 BLOCK "G" MJI MWEMA AREA IN KIGAMBONI - LAND	173,400	-	-	173,400	-	-	-	173,400	173,400
7	PLOT NO 94 BLOCK "W" MAGOMENI AREA IN KINONDONI	146,416	-	-	146,416	-	-	-	146,416	146,416
8	PLANT AND MACHINERY ON FARMS NO 4004, 4005 & 4006 KISARAWA II, KIGAMBONI MUNICIPALITY	106,596,600	-	-	106,596,600	-	-	-	106,596,600	106,596,600
	<b>Total</b>	<b>124,489,086</b>	<b>-</b>	<b>-</b>	<b>124,489,086</b>	<b>341,448</b>	<b>170,724</b>	<b>512,172</b>	<b>123,976,914</b>	<b>124,147,638</b>

The revaluation on the company's assets was done on and reports issued on 31 December 2021 by an independent valuer M/S COSWIL CONSULT LIMITED. These assets which were revalued were Land and buildings. The basis for revaluation was replacement cost method for all the assets.

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

17 Intangible Assets

Particulars	Software Tzs'000	Total Tzs'000
<b><u>Cost</u></b>		
Balances at 1st January 2022	3,850	3,850
Balances at 31st December 2022	3,850	3,850
Balances at 1st January 2023	3,850	3,850
Balances at 31st December 2023	3,850	3,850
<b><u>Accumulated depreciation</u></b>		
Balances at 1st January 2022	3,080	3,080
Amortisation for the year	385	385
Balances at 31st December 2022	3,465	3,465
Balances at 1st January 2023	3,465	3,465
Amortisation for the year	385	385
Balances at 31st December 2023	3,850	3,850
<b><u>Carrying value</u></b>		
<b>Balances at 31st December 2023</b>	-	-
<b>Balances at 31st December 2022</b>	385	385

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

**18 Related party disclosure**

The company has following related parties by virtue of common shareholding / directorship:

In Tanzania

- 1) Oilcom (T) Limited
- 2) AI - Hushoom Investment (T) Ltd
- 3) Milkcom Diaries Ltd

**Transactions:**

	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b>Tzs'000</b>	<b>Tzs'000</b>
<b><u>Trading:</u></b>		
Sales		
1) AI - Hushoom Investment (T) Ltd	15,254	
<b>Purchases</b>		
1) Oilcom (T) Limited	14,343,708	12,009,720
2) AI - Hushoom Investment (T) Ltd	-	
<b>Expenses</b>		
1) Oilcom (T) Limited	2,513,293	77,760
2) AI - Hushoom Investment (T) Ltd	3,689,441	747,761
<b><u>Financial:</u></b>		
Advances received		
1) Oilcom (T) Limited	50,265,851	29,898,205
2) AI - Hushoom Investment (T) Ltd	-	3,082,490
3) Milkcom Diaries Ltd	1,430,842	11,370
<b>Repayment of advance</b>		
1) Oilcom (T) Limited	53,793,201	11,572,803
2) AI - Hushoom Investment (T) Ltd	-	2,677,950
3) Milkcom Diaries Ltd	873,564	1,474,989

**Outstanding balances:**

**Due to associate company**

**Trading:**

1) Oilcom (T) Limited	3,672,590	3,733,831
Subtotal	<u>3,672,590</u>	<u>3,733,831</u>

**Financial:**

1) Oilcom (T) Limited	95,565,475	88,358,369
2) AI - Hushoom Investment (T) Ltd	2,942,837	1,504,516
Subtotal	<u>98,508,312</u>	<u>89,862,885</u>

Total	<u>102,180,902</u>	<u>93,596,716</u>
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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023**

	<b>31st December 2023</b>	<b>31st December 2022</b>
<b><u>Financial:</u></b>		
<b>Due from associate company</b>		
1) Milkcom Diaries Ltd	5,603,633	5,818,122
	<b><u>5,603,633</u></b>	<b><u>5,818,122</u></b>

**19** Contingent liabilities and commitments

The management does not anticipate any contingent liabilities as at 31st December 2023.

**20** Previous year's figure have been regrouped / rearranged wherever necessary to make them comparable