

JANDU PLUMBERS LIMITED

Directors' Report and Financial Statements for the Year ended 31st December, 2022

JANDU PLUMBERS LIMITED

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JANDU PLUMBERS LIMITED

Company Information

For the year ended 31st December, 2022

The Company is incorporated in Tanzania under the Companies Ordinance CAP 212, (now the Companies Act, 2002), and domiciled in the United Republic of Tanzania.

Principal Place of Business: United Republic of Tanzania

Registered Office: Plot No: 15-18, 38-41
Block No: 'E'
Unga Limited Area,
P. O. Box 409,
Arusha
Tanzania

Bankers: Diamond Trust Bank Tanzania Limited,
P.O. Box 2502,
Arusha.

Stanbic Bank (Tanzania) Limited,
P.O. Box 3062,
Arusha.

I & M Bank Tanzania Limited
P.O. Box 16821,
Arusha.

Company Secretary: MR. Manmohan Singh Jandu
P. O. Box 409,
Arusha,
Tanzania

Company Auditor: Kasegenya Finance
Certified Public Accountants
P. O. Box 10386
Arusha
Tanzania

DIRECTORS' Report

FOR THE YEAR ENDED 31ST DECEMBER, 2022

The Directors present this report and the audited financial statements for the financial year ended 31st December, 2022 which disclose the state of affairs of the Company.

INCORPORATION

The company is incorporated in Tanzania under Companies Act, 2002 as a private company limited by shares.

COMPANY'S VISION

To achieve leadership in the field of civil construction, providing our best services to the satisfaction of all our clients.

COMPANY'S MISSION

To promote and provide strategic leadership for growth development and expansion of the construction industry in Tanzania.

PRINCIPAL ACTIVITIES

The principal activities of the Company are: Civil, Building, Plumbing and Sanitary Engineering & Contractors.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Company at the date of this report were: -

Name	Position	Qualification	Nationality
Mr. Ajmer S. Jandu	Managing Director	Engineer	British
Mr. Manmohan S. Jandu	Director/Secretary	Engineer	British
Mr. Harbinder S. Jandu	Director	Engineer	Tanzanian
Mr. Kamalpal S. Jandu	Director	Engineer	British

The Company Secretary as at 31st December, 2022 was Mr. Manmohan Singh Jandu.

CORPORATE GOVERNANCE

The Board of Directors consists of Four Directors. Apart from the Managing Director, no other Directors hold executive positions in the Company. 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 management 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 Board delegates the day-to-day management of the business to Managing Director assisted by senior management. Senior Management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

CAPITAL STRUCTURE

The company capital structure for the year under review is shown below.

MANAGEMENT

The Management of the Company is under the Managing Director and is organized in the following departments.

Σ Finance and administration department

Σ Operations department

Σ Engineering department

SHAREHOLDERS OF THE COMPANY

The total number of shareholders during the year 2022 is 4 shareholders (previous year 4 shareholders)

Directors holding shares are listed below: -

S/N	Name	Nationality	Number of Ordinary Shares	Number of Preference Shares.
1	Mr. Ajmer S. Jandu	British	225,000	-
2	Mr. Manmohan S. Jandu	British	625,000	-
3	Mr. Harbinder S. Jandu	Tanzanian	1,275,000	-
4	Mr. Kamalpal S. Jandu	British	375,000	-

The shares of the company are held as follows: -

S/N	Shareholder	Current Year Number of Shares		Previous Year Number of Shares	
		Ordinary	Preference	Ordinary	Preference
1	Mr. Ajmer S. Jandu	225,000	-	225,000	-
2	Mr. Manmohan S. Jandu	625,000	-	625,000	-
3	Mr. Harbinder S. Jandu	1,275,000	-	1,275,000	-
4	Mr. Kamalpal S. Jandu	375,000	-	375,000	-
	Total	2,500,000	-	2,500,000	-

FUTURE DEVELOPMENT PLANS

The company will continue to improve its profitability through the introduction of innovative products, focusing on value-added customer services and selective expansion of its branches while carefully managing both costs and risks. The company will continue to focus on improving productivity and introducing new products to the market.

RESULTS AND DIVIDEND

During the year the company had a net profit Tshs 77,760,174 (previous year – Tshs 560,156,110).

The Board of Directors does not propose any dividend during the year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board 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:

- Σ The effectiveness and efficiency of operations;
- Σ The safeguarding of the Company's assets;
- Σ The Compliance with applicable laws and regulations;
- Σ The reliability of accounting records;
- Σ The Business sustainability under normal as well as adverse conditions; and
- Σ The Responsible behaviors 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 Board assessed the internal control systems throughout the financial year ended 31st December, 2022 and is of the opinion that they met accepted criteria.

SOLVENCY

The Board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that Jandu Plumbers Limited has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and Employees' Relationship

There were continued good relationship between employees and management for the year 2022. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and trade union.

The company is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training Facilities

Training programs have been and are continually being developed to ensure employees are adequately trained at all levels, all employees have some form of annual training to upgrade skills and enhance development.

Health and Safety

The company has a strong health and safety department which ensures that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

Financial Assistance to Staff

Loans are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances.

Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees' Benefit Plan

The company pays contributions to a publicly administered pension plan on mandatory basis which qualifies to be a defined contribution plan.

RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 17 to these financial statements.

POLITICAL AND CHARITABLE DONATIONS

The company did not make any political or charitable donations during the year

STATEMENT OF DIRECTORS' RESPONSIBILITIES

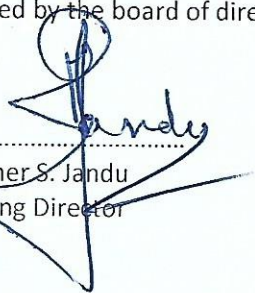
The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

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

AUDITORS

The Auditors Kasegenya Finance have expressed their willingness to continue in office and are eligible for re- appointment. A resolution proposing the re-appointment as Auditors of the Company for the year 2023 will be put to the Annual General Meeting.

Approved by the board of directors on 13TH JUNE 2023 and signed on its behalf by:


.....
Mr. Ajmer S. Jandu
Managing Director

13TH JUNE 2023
.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF JANDU PLUMBERS LIMITED.

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants 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 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 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 as under Directors Responsibility statement on an earlier page.

I Joshua Sayi Masunga being the head of Finance of Jandu Plumbers Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Jandu Plumbers Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:



NBAA Membership No GA 7818.

Date: 12/06/2023



KASEGENYA FINANCE
LIMITED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the members of Jandu Plumbers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jandu Plumbers Limited which comprise the statement of financial position as at 31st, December 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements including summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects of the financial position of Jandu Plumbers Ltd as at 31st December, 2022 and of its Profit and cash flows for the period then ended in accordance with the International Financial Reporting Standards, and in compliance with the requirements of the Tanzania 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Tanzania. 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 modified opinion.

Other Information

The directors are responsible for the other information, which comprises the report of Directors.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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 of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and the requirements of the Companies' Act 2002, and for such Internal controls as Directors determine are 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 decision 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 auditors' report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain responsible for our audit opinion.

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 Tanzania 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 purpose 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; and
- (iii) The Company's statement of financial position (balance sheet) and statement of profit or loss and other comprehensive income (profit and loss account) are in agreement with the books of account.

Kasegenya Finance
Certified Public Accountants -In Public Practice


.....
Signed By: Sweetbert K Dagobert (ACPA 2751)
Arusha

Date..... 13/06/2023

KASEGENYA FINANCE
Certified Public Accountants
P.O.Box 10386
Arusha - Tanzania
Phone: +255 784 927 080


JANDU PLUMBERS LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2022**

	Notes	2022 TSHS	2021 TSHS
INCOME			
Revenue	2	10,167,414,958	19,103,731,924
Cost of Sales	3	<u>(5,360,785,744)</u>	<u>(13,488,487,027)</u>
Gross Profit		4,806,629,213	5,615,244,897
EXPENSES			
Administration & Establishment Expenses	4	(1,473,767,719)	(1,342,757,309)
Other Operating Costs	5	(39,617,121)	(125,901,758)
Staff Costs	6	(840,371,025)	(1,026,961,912)
Selling & Distribution	7	(400,325,499)	(453,866,277)
Finance Costs	8	<u>(1,737,869,545)</u>	<u>(1,966,663,323)</u>
Profit/(Loss) before Tax		314,678,304	699,094,318
Taxation 30%		(33,325,789)	(209,728,295)
Other Comprehensive Income	9	<u>(203,592,342)</u>	<u>70,790,087</u>
Net Profit/(Loss) for the year		77,760,174	560,156,110

JANDU PLUMBERS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2022

	Notes	2022 TSHS	2021 TSHS
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	11	52,841,074,683	52,504,713,810
Loans & advances - Other Related Party Transactions	16	4,660,136,477	4,748,613,636
	17	132,700,051	132,700,051
		<u>57,633,911,211</u>	<u>57,386,027,497</u>
Current Assets			
inventories	14	1,102,608,269	319,084,488
Trade and Other Receivables	15	8,758,185,359	11,437,756,378
Directors Current A/c	18	291,367,630	1,484,704,095
Taxation	19	1,339,667,876	1,170,752,730
Cash and Bank Balances	20	6,537,751,661	1,205,742,267
Total Assets		<u>18,029,580,794</u>	<u>15,618,039,958</u>
		<u>75,663,492,006</u>	<u>73,004,067,455</u>
EQUITY AND LIABILITIES			
Equity			
Share	12	250,000,000	250,000,000
Retained Earnings		(2,654,892,206)	(2,724,197,335)
Capital Reserve		54,678,015,411	54,678,015,411
		<u>52,273,123,205</u>	<u>52,203,818,076</u>
Non-Current Liabilities			
Loans	13	6,315,714,550	8,100,606,196
		<u>6,315,714,550</u>	<u>8,100,606,196</u>
Current Liabilities			
Bank Overdraft	21	6,592,957,558	6,909,439,174
Trade and Other Payables	22	10,481,696,685	1,041,590,366
		<u>17,074,654,243</u>	<u>7,951,029,540</u>
Total Equity and Liabilities		<u>75,663,492,006</u>	<u>68,255,453,812</u>

These financial statements were approved for issue by the Board of Directors and were signed on its behalf by:


 AJMER S. JANDU
 Director

13TH JUNE 2023
 DATE


 MANMOHAN S.
 JANDU

13TH JUNE 2023
 DATE

JANDU PLUMBERS LIMITED
STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER, 2022

	Share Capital Tshs	Revaluation Reserve Tshs	Accumulated Profit/(Loss) Tshs	Total Equity Tshs
At 1st January, 2021	250,000,000	54,232,222,427	(3,284,353,445)	51,197,868,982
Prior year Adjustment	-	445,792,984	-	445,792,984
Profit/(Loss) for the year	-	-	560,156,110	560,156,110
At 31st December, 2021	250,000,000	54,678,015,411	(2,724,197,335)	52,203,818,076
At 1st January, 2022	250,000,000	54,678,015,411	(2,724,197,335)	52,203,818,076
Prior year Adjustment	-	-	(8,455,044)	(8,455,044)
Profit/(Loss) for the year	-	-	77,760,174	77,760,174
At 31st December, 2022	250,000,000	54,678,015,411	(2,654,892,206)	52,273,123,205

JANDU PLUMBERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Taxation		
<i>Adjustment for:</i>		
Depreciation	111,085,962	760,083,513
Gain (loss) on disposal of Assets	763,504,175	699,134,884
Prior year Adjustment	(4,864,129)	9,800,892
	<u>869,726,008</u>	<u>1,469,019,289</u>
Decrease / (increase) in Inventories	(783,523,781)	860,000,000
Decrease/(Increase) in Trade and Other Receivables	(2,069,042,617)	(2,289,467,540)
Decrease/(Increase) in Directors' current Account	1,193,336,465	445,967,871
(Decrease)/Increase in Trade and Other Payables	9,440,106,319	(773,349,248)
Decrease/(Increase) in Related Parties transactions	88,477,159	4,748,613,636
Net Cash from Operating Activities	<u>7,869,353,545</u>	<u>2,991,764,719</u>
Tax Paid during the Year	(210,695,978)	(351,637,640)
Net Cash Flows from Operating Activities	<u>8,528,383,574</u>	<u>4,109,146,368</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(1,100,763,629)	(189,784,358)
Proceeds from disposal of Assets	5,762,712	7,148,260
Net Cash Flow from Investing Activities	<u>(1,095,000,917)</u>	<u>(182,636,098)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/Increase in Long Term Loan	(1,784,891,646)	(3,446,513,106)
Net Cash Flow from Financing Activities	<u>(1,784,891,646)</u>	<u>(3,446,513,106)</u>
Net Increase in Cash and Cash Equivalents	5,648,491,011	479,997,164
Cash and Cash Equivalents at the Beginning of the Year	(5,703,696,907)	(6,183,694,081)
Cash and Cash Equivalents at the End of the Year	<u>(55,205,896)</u>	<u>(5,703,696,907)</u>
Cash in hand	72,995,005	223,178,692
Imprests with site	652,473,876	352,891,535
Bank balances	5,812,282,781	629,672,040
Bank overdraft	(6,592,957,558)	(6,909,439,174)
	<u>(55,205,896)</u>	<u>(5,703,696,907)</u>

JANDU PLUMBERS LIMITED

Notes to the Financial Statements For the year ended 31st December 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of Preparation

The financial statements have been prepared on a historical cost basis, as modified by the revaluation on property, plant and equipment. These financial statements are presented in Tanzania Shillings (Tshs).

Statement of compliance

The financial statements of Jandu Plumbers Limited have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

c) Long term Loan

There were two loans borrowed for the stabilization of the company:

- (i) Long term loan is made up of Tshs 6,592,957,558 which is overdraft from Diamond Trust Bank. The loan is repayable for two (2) years with annual interest charge of 7.5% for and Tshs 1,870,000,000 from Stanbic Bank with annual interest charge of 8%, and is repayable in twelve months.
- (ii) Un secured Loans are made up of Tshs 36,950,000 and Tshs 474,077,490 from Ajmer Singh Jandu and N.S. Bachu respectively.

d) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation.

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

The annual depreciation rates are:

Buildings	0%
Plant, Machinery, Tools & Equipment	12.5%
Furniture & fittings	12.5%
Motor Vehicles & Motor bikes	20%
Crawler excavator	15%
Construction Equipment's	25%
Computers & Accessories	37.5%
Go down, workshop & Borehole	3%
Crawler Excavator	15%

Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount; the asset is considered impaired and written down to its recoverable amount.

e) Inventories

Stocks are stated at the lower of cost and net realizable value. Cost is determined on a first in, first out basis and includes transport and handling costs. Net realizable value is the price at which the stock can be realized in the course of business after allowing for the cost of realization.

f) Trade Receivables

Trade receivables are recognized initially at original invoice amount which is fair value at transaction date, less allowance for impairment. An allowance for impairment of 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 the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, or where more appropriate at the interest rate that the Company would have to pay to finance such receivable. The amount of the provision is recognized in the income statement.

g) Taxation

Normal Tax

The Company provides for corporation tax at rates prescribed by legislation from time to time. The current rate of taxation is 30% of taxable profits.

h) Trade Payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

i) Employee Benefits

The Company's employees are members of state-owned pension scheme, the National Social Security Fund (NSSF). The Company contributes to the scheme 10% of gross salary for each employee, and the employee contributes 10%. The Company's contributions to the fund are charged to the income statement in the year to which they relate.

j) Provisions

Provisions are made when the Company has a present obligation, as a result of past event where it is probable that an outflow of resources embodying economic resource benefit will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

k) Foreign Currency Transactions

Transactions in foreign currency are translated into Tanzania Shillings at the rate ruling on the transaction date. Assets and liabilities expressed in foreign currencies are translated into Tanzania Shillings at the rate of exchange ruling at the balance sheet date. The differences on exchange are included in the operating results of the year.

l) Comparatives

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

JANDU PLUMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	TZS	TZS
2 Revenue		
Rent Income	765,509,116	576,083,563
CONTRACT INCOME		
Contract - Exempted/SPL Relief	-	8,754,318,448
Contract Taxable	4,226,047,326	1,099,323,317
Unbilled Contract Income Orkesumet Lot one		584,138,915
Unbilled Contract Income Orkesumet Lot Two	1,245,575,458	6,444,524,258
Spares Supplied	4,210,000	-
Unbilled Contract Income Musoma	3,926,073,058	1,645,343,423
	10,167,414,958	19,103,731,924
3 Cost of Sales		
Opening Inventories	319,084,488	1,179,084,488
Purchases	2,748,814,583	4,398,052,911
Electricity & Water	10,357,816	14,237,863
Site expenses	370,786,152	621,987,839
Sub- contracts 5%	768,660,580	2,761,251,868
Sub-contracts 2%	262,457,626	2,033,050,847
NSSF contributions	11,947,576	17,182,040
Repairs & Maintenance - site	656,430,853	891,119,911
Import duty, transport, clearing & forwarding	388,873,022	1,566,668,397
Loading & offloading	1,373,000	2,530,840
Equipment Hiring Charges	600,326,000	-
Casual wages	324,282,319	322,404,511
Closing Inventories	(1,102,608,269)	(319,084,488)
	5,360,785,744	13,488,487,027
4 Administrative Expenses		
Electricity & Water	64,570,864	48,674,867
Transport & travelling expenses	93,936,918	47,325,319
Office Expenses	97,824,435	52,376,264
Postage, Telephone & Internet	8,790,155	12,810,047
Printing & Stationery	17,387,220	16,764,104
Computer maintenance	2,158,797	3,311,610
Motor vehicle running expenses	118,145,852	267,757,338
Audit & Accountancy Fees	6,000,000	6,000,000
Directors' fees	160,000,000	120,000,000
Business Development	2,097,900	-
Stamp duty, Taxes & duties	83,209,252	1,076,822
Legal, Consultancy & other fees	29,240,448	38,171,053

Security expenses	2,936,000	27,776,000
service levy	13,459,002	-
Tender Documents	1,530,000	579,000
Trainee Expenses	8,976,700	1,000,000
Depreciation on disposal of Asset	-	1,021,180
Depreciation	763,504,175	698,113,704
Total administrative expenses	1,473,767,719	1,342,757,308
5 Other Operating expense		
Insurances	13,709,741	35,262,230
Licenses & tender fees	60,000	9,272,000
Rent Expenses	13,845,430	64,547,778
Land rent	12,001,950	16,819,750
	39,617,121	125,901,758
6 Employee Benefit Costs		
Salaries & Wages	588,849,264	678,501,722
NSSF Contributions	76,892,608	73,339,130
Staff welfare	2,446,898	49,168,544
Staff medical	45,680,824	32,510,618
Work permit & visas	59,664,500	97,827,865
Leave allowances	19,272,290	41,426,788
WCF	3,852,822	7,716,885
SDL	43,711,820	46,470,362
	840,371,025	1,026,961,914
7 Selling & Distribution expenses		
Motor vehicle running expenses	325,077,563	338,092,443
Insurances - site	45,306,931	52,598,740
Rent Expenses- site	15,821,556	43,134,445
Medical expenses	14,119,450	20,040,650
	400,325,499	453,866,278
8 Finance Expenses		
Bank Charges & commissions	499,020,869	193,382,120
Interest on Bank Loan	675,287,589	1,217,080,582
Interest on Bank Overdraft	562,924,287	556,102,221
Mpesa charges	636,800	98,401
	1,737,869,545	1,966,663,324

9 Other Comprehensive Income

Discount received	-	276,859
Foreign currency (loss) /gain	(211,404,934)	54,190,201
Gain/(loss)on disposal of asset	4,864,129	9,800,892
Electricity charges to Tenant	2,098,463	6,522,135
Transportation	850,000	-
	<u>(203,592,342)</u>	<u>70,790,087</u>

10 Profit before Taxation

The loss before taxation is stated after charging:

Auditors' Fees	6,000,000	6,000,000
Depreciation	763,504,175	699,134,884
	<u>769,504,175</u>	<u>705,134,884</u>

11 Property, Plant and Equipment as at 31st December, 2022

COST	Land	Godown, workshop & Borehole	Furniture & Fittings	Plant, Machinery Tools & Equipment	Motor Vehicles & Motor bikes	Crawler excavator	Construction Equipments	Computers & Accessories	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
NBV									
As at 01.01.2022	41,790,000,000	7,921,834,630	52,691,285	2,325,239,024	294,912,278	31,369,531	71,474,726	17,192,337	52,504,713,811
Additions	-	-	1,081,118,460	9,845,000	-	-	-	9,800,169	1,100,763,629
Disposal	-	-	-	(898,582)	-	-	-	-	(898,582)
At 31st December 2022	41,790,000,000	7,921,834,630	52,691,285	3,406,357,484	303,858,696	31,369,531	71,474,726	26,992,506	53,604,578,858
DEPRECIATION									
At 1st January 2022	-	-	-	-	-	-	-	-	-
Charge for the Year	-	237,655,039	6,586,411	425,794,685	60,771,739	4,705,430	17,868,682	10,122,190	763,504,175
At 31st December 2022	-	237,655,039	6,586,411	425,794,685	60,771,739	4,705,430	17,868,682	10,122,190	763,504,175
NET BOOK VALUE									
At 31st December 2022	41,790,000,000	7,684,179,591	46,104,874	2,980,562,798	243,086,957	26,664,101	53,606,045	16,870,317	52,841,074,683
At 31st December 2021	41,790,000,000	7,921,834,630	52,691,285	2,325,239,024	294,912,278	31,369,531	71,474,726	17,192,337	52,504,713,811

20	Bank and Cash Balances		
	Cash in hand	72,995,005	223,178,692
	Imprests with sites	652,473,876	352,891,535
	Bank balances	5,812,282,781	629,672,040
		<u>6,537,751,661</u>	<u>1,205,742,267</u>
21	Bank overdraft		
	DTB Tz Ltd	6,592,957,558	6,909,439,174
		<u>6,592,957,558</u>	<u>6,909,439,174</u>
22	Trade and Other Payables		
	Trade Payables	682,061,146	714,524,134
	Deposits & advances	9,697,080,866	155,331,145
	Accrued charges	96,554,673	165,735,087
	Audit fees	6,000,000	6,000,000
		<u>10,481,696,685</u>	<u>1,041,590,366</u>
23	Prior year Adjustment		
	Additional tax paid in 2022 for 2016- 2019 audit findings	<u>8,455,044</u>	<u>445,792,984</u>
		8,455,044	445,792,984