

M/S. TUNEL INCORPORATION COMPANY LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024.

PREPARED BY:

PHARES K SONGO & CO.

AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTS/

AUDITORS & TAX CONSULTANTS

MWANZA

PROJECTED CASH FLOW STATEMENT FOR THE PERIOD OF JANUARY 2025 TO YEAR2:

Particulars	Jan-25 Tshs.'000	Feb-25 Tshs.'000	Mar-25 Tshs.'000	Apr-25 Tshs.'000	May-25 Tshs.'000	Jun-25 Tshs.'000	Jul-25 Tshs.'000	Aug-25 Tshs.'000	Sep-25 Tshs.'000	Oct-25 Tshs.'000	Nov-25 Tshs.'000	Dec-25 Tshs.'000	TOTAL YR1 Tshs.'000	TOTAL YR2 Tshs.'000
Inflows:														
Cash Sales	157,022	160,947	162,750	144,034	155,557	192,890	206,392	237,351	272,954	232,011	243,611	328,875	2,494,395	3,317,545
Collections from Debtors	2,359	2,383	2,406	2,430	2,455	2,482	2,507	2,582	2,633	2,686	2,740	2,795	30,487	20,235
Bank Loan	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Inflow	659,381	163,330	165,156	146,464	158,011	195,372	208,899	239,933	275,587	234,697	246,351	331,670	3,024,853	3,337,780
Outflows:														
Purchase of stocks	1,166,287.79	59,620	60,176	54,406	216,403	69,468	73,631	83,175	540,628.67	69,928.40	36,383.11	45,617.20	2,477,724	2,670,224
Salaries and wages	2,519	2,544	2,570	2,595	2,621	2,648	2,674	2,701	2,728	2,755	2,783	2,810	31,948	32,587
Telephone and Postages	180	184	188	191	195	199	203	207	211	216	220	224	2,419	2,468
Water and electricity	33	33	34	35	36	36	37	38	38	39	40	41	440	449
Stationery and printing	79	80	82	83	85	87	89	90	92	94	96	98	1,055	1,076
Transport, handling, travelling and lodging	7,943	8,102	8,264	8,429	8,598	8,770	8,945	9,124	9,307	9,493	9,683	9,876	106,535	108,666
Security expenses	120	122	125	127	130	132	135	138	141	143	146	149	1,609	1,642
Medical expenses	131	133	136	139	141	144	147	150	153	156	159	162	1,753	1,788
Bank charges and others	242	247	252	257	262	267	273	278	284	289	295	301	3,247	3,312
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	1,850	1,887
District levy	-	-	-	-	-	-	-	-	-	-	-	-	550	550
Business Licence	-	-	-	-	-	-	-	-	-	-	-	-	500	510
Interest on O/D	5,845	4,830	3,345	5,430	2,235	4,303	1,804	2,240	1,550	4,450	1,244	25,204	37,276	302,452
Loan Repayments	25,204	25,204	25,204	25,204	25,204	25,204	25,204	25,204	25,204	25,204	25,204	25,204	302,452	302,452
Taxation	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	6,550	6,550
Total cash outflow	1,212,222	101,101	100,375	98,535	255,911	111,259	114,780	123,346	580,337	114,406	76,253	87,384	2,975,908	3,130,966
Changes for the year	(552,841)	62,229	64,781	47,929	(97,900)	84,113	94,119	116,587	(304,749)	120,291	170,098	244,286	48,944	206,815
Opening Balance	52,840	(500,000)	(437,771)	(372,990)	(325,061)	(422,960)	(338,848)	(244,728)	(128,141)	(432,891)	(312,600)	(142,502)	101,785	101,785
Closing Balance	(500,000)	(437,771)	(372,990)	(325,061)	(422,960)	(338,848)	(244,728)	(128,141)	(432,891)	(312,600)	(142,502)	101,785	308,599	308,599

DIRECTOR: *[Signature]*
 DATE: 08/02/2025



INDEPENDENT AUDITOR'S REPORT
M/S. TUNEL INCORPORATION COMPANY LIMITED
REPORT ON THE FINANCIAL STATEMENTS.

We have audited the accompanying financial statements of **M/S. TUNEL INCORPORATION COMPANY LIMITED** which comprise the statement of position as at December 31, 2024 and statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of Significant accounting policies and other explanatory notes

Management's Responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards. The 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the financial statements bases on our audits. We conducted our audits in accordance with Internal Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits 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 misstatements of the financial statements, whether due to fraud or error. In making those risks 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.

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/S. TUNEL INCORPORATION COMPANY LIMITED** Significant accounting policies and other explanatory notes. As at December 31, 2024 and of its statement of comprehensive income, changes in its equity, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.


PHARES MSONGO & CO.
AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTSS/AUDITORS & TAX CONSULTANTS
MWANZA.

Date: 07/02/2025

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2024

	NOTE	2024 Tshs	2023 Tshs
ASSETS EMPLOYED:			
Property, plant and equipments	2	<u>985,631,692</u>	<u>1,033,379,104</u>
		<u>985,631,692</u>	<u>1,033,379,104</u>
Current Assets:			
Cash and cash equivalents		52,840,214	48,422,340
Receivables		270,120,367	139,263,197
Deposits & Prepayments		550,455,751	377,236,479
Inventories		<u>215,334,450</u>	<u>145,334,500</u>
		<u>1,088,750,782</u>	<u>710,256,516</u>
TOTAL ASSETS		<u><u>2,074,382,474</u></u>	<u><u>1,743,635,620</u></u>
EQUITY AND LIABILITIES:			
Equity:			
Capital and Retained Earnings	3	<u>2,050,353,379</u>	<u>1,722,771,135</u>
Total Equity		<u>2,050,353,379</u>	<u>1,722,771,135</u>
Liabilities:			
Non Current Liabilities			
		-	-
Current Liabilities:			
Payables		24,029,095	20,864,485
		<u>24,029,095</u>	<u>20,864,485</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,074,382,474</u></u>	<u><u>1,743,635,620</u></u>

DIRECTOR.....

DATE.....



08/02/2025



M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2024:

	2024 Tshs.	2023 Tshs.
Income:		
Sales	<u>1,884,262,989</u>	<u>1,531,921,129</u>
	1,884,262,989	1,531,921,129
Less: Cost of Sales:		
Opening stock	145,334,500	110,330,404
Add: Purchases	<u>1,413,670,380</u>	<u>1,155,497,469</u>
	1,559,004,880	1,265,827,873
Less: Closing Stock	<u>215,334,450</u>	<u>145,334,500</u>
COST OF SALES	<u>1,343,670,430</u>	<u>1,120,493,373</u>
GROSS PROFIT	<u>540,592,559</u>	<u>411,427,756</u>
<u>Less: expenses:</u>		
Salaries and wages	30,228,827	26,345,500
Telephone and Postages	2,164,693	2,061,612
Water and electricity	393,817	375,064
Stationery and printing	943,572	898,640
Transport, handling, travelling and lodging	95,318,558	90,779,579
Security expenses	1,440,000	1,440,000
Medical expenses	1,568,050	1,493,381
Bank charges and others	2,905,386	2,152,138
Professional fees	1,655,000	1,550,000
District levy	400,000	350,000
Business Licence	350,000	450,000
Depreciation	70,092,412	68,975,162
TOTAL OPERATING EXPENSES	<u>207,460,314</u>	<u>196,871,076</u>
NET PROFIT FOR THE YEAR BEFORE TAXATION	<u>333,132,245</u>	<u>214,556,680</u>
LESS: TAXATION	<u>(5,550,000)</u>	<u>(4,250,000)</u>
NET PROFIT FOR THE YEAR AFTER TAXATION	<u>327,582,245</u>	<u>210,306,680</u>

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.12.2024:

	2024	2023
	Tshs	Tshs
1 CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year before Taxation and extra - ordinary items	333,132,245	214,556,680
Adjustments for Non cash item		
Depreciation	70,092,412	68,975,162
	<u>403,224,657</u>	<u>283,531,842</u>
<u>WORKING CAPITAL CHANGES:</u>		
(Increase) / Decrease in Receivables and Prepayments	(130,857,170)	(23,318,766)
(Increase)/ Decrease in Goods in Transit	(173,219,272)	(202,486,127)
Increase / (Decrease) in Current Liabilities	3,164,610	(2,649,099)
Taxation paid	(5,550,000)	(4,250,000)
(Increase) / Decrease in Inventories	(69,999,950)	(35,004,096)
	<u>(376,461,783)</u>	<u>(267,708,088)</u>
NET CASH FLOW USED FOR OPERATING ACTIVITIES	<u>26,762,874</u>	<u>15,823,754</u>
2 CASH FLOW FROM INVESTING ACTIVITIES:		
Additional of property, plants and equipments	<u>(22,345,000)</u>	<u>(37,535,000)</u>
NET CASH FLOW USED FOR INVESTING ACTIVITIES	<u>(22,345,000)</u>	<u>(37,535,000)</u>
3 CASH FLOW FROM FINANCING ACTIVITIES:		
Capital brought in	-	-
Proceeds from long term-borrowings	-	-
Repayments of long term-borrowings	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH CHANGES FOR THE YEAR	4,417,874	(21,711,246)
Cash and Cash equivalent at start	<u>48,422,340</u>	<u>70,133,586</u>
Cash and Cash equivalent at close	<u>52,840,214</u>	<u>48,422,340</u>
CASH AND CASH EQUIVALENT AT CLOSE:		
Cash and bank	<u>52,840,214</u>	<u>48,422,340</u>

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2024

1.1: BASIS OF PREPARATION:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The management's financial statements have been prepared under the historical cost conversion.

1.2 NON CURRENT ASSETS:

Non Current assets are shown at cost less subsequent depreciation and impairment.

1.3 DEPRECIATION:

Depreciation is calculated using the reducing balance methods to allocate the cost of each asset to its reducing value over the estimated useful life as follows:

❖ Furniture & Fittings	12.50% P.A
❖ Machinery & Equipment's	12.50% P.A
❖ Land & Buildings	5.00% P.A

1.4 ACCOUNT RECEIVABLES:

Accounts receivables are initially recognized at cost. No impairment review of accounts receivable has been made. No provision for impairment of debtors has been made in these accounts,

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2024

1.5 INCOME RECOGNITION:

The following specific recognition criteria must be met before revenue is recognized:

Sales of goods and service: Revenue is recognized when rewards of ownership of goods and services have passed to the buyer.

1.6 CASH AND CASH EQUIVALENT:

Cash and Bank balance in the Balance Sheet comprise each at bank and on hand and short term deposits with the original maturity of twelve months or less. For the purpose of the cash flow statements, cash and cash equivalent consists of cash and cash equivalent as defined above.

1.7 COMPERATIVE FIGURES:

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

M/S. TUNEL INCORPORATION COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2024:

NOTE 2

NON CURRENT ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31.12.2024:

Description	COST / VALUATION				DEPRECIATION				BOOK VALUE	
	As at 1.1.2024	Additions/ (Disposal)	As at 31.12.2024	As at 1.1.2024	Charges/ (Disposal)	As at 31.12.2024	As at 31.12.2024	As at 31.12.2023		
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs		
Furniture & Fittings	12,434,200	-	12,434,200	4,662,825	1,554,275	6,217,100	6,217,100	7,771,375		
Machinery & Equipments	83,345,400	-	83,345,400	31,254,525	10,418,175	41,672,700	41,672,700	52,090,875		
Land and Buildings	1,140,054,240	22,345,000	1,162,399,240	166,537,386	58,119,962	224,557,348	937,741,892	973,515,854		
	1,235,833,840	22,345,000	1,258,178,840	202,454,736	70,092,412	272,547,148	985,631,692	1,033,379,104		

NOTE 3

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2024

	capital	Retained Earnings	Total Equity
	Tshs	Tshs	Tshs
Balance at 1st January, 2024	1,722,771,135	-	1,722,771,135
Net Profit for the year	-	327,582,245	327,582,245
Balance at 31.12.2024	1,722,771,135	327,582,245	2,050,353,379

M/S. TUNEL INCORPORATION COMPANY LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023.

PREPARED BY:

PHARES K SONGO & CO.

AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTS/

AUDITORS & TAX CONSULTANTS

MWANZA

INDEPENDENT AUDITOR'S REPORT
M/S. TUNEL INCORPORATION COMPANY LIMITED
REPORT ON THE FINANCIAL STATEMENTS.

We have audited the accompanying financial statements of **M/S. TUNEL INCORPORATION COMPANY LIMITED** which comprise the statement of position as at December 31, 2023 and statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of Significant accounting policies and other explanatory notes

Management's Responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards. The 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the financial statements bases on our audits. We conducted our audits in accordance with Internal Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits 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 misstatements of the financial statements, whether due to fraud or error. In making those risks 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.

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/S. TUNEL INCORPORATION COMPANY LIMITED** Significant accounting policies and other explanatory notes. As at December 31, 2023 and of its statement of comprehensive income, changes in its equity, and its cash flows for the year then ended in accordance with Internal Financial Reporting Standards.


PHARES W SOMBOL & CO.
AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTSS/AUDITORS & TAX CONSULTANTS
MWANZA.

Date: 07/02/2025

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2023

	NOTE	2023 Tshs	2022 Tshs
ASSETS EMPLOYED:			
Property, plant and equipments	2	<u>1,033,379,104</u>	<u>1,064,819,266</u>
		<u>1,033,379,104</u>	<u>1,064,819,266</u>
Current Assets:			
Cash and cash equivalents		48,422,340	70,133,586
Receivables		139,263,197	115,944,431
Deposits & Prepayments		377,236,479	174,750,352
Inventories		<u>145,334,500</u>	<u>110,330,404</u>
		<u>710,256,516</u>	<u>471,158,773</u>
TOTAL ASSETS		<u><u>1,743,635,620</u></u>	<u><u>1,535,978,039</u></u>
EQUITY AND LIABILITIES:			
Equity:			
Capital and Retained Earnings	3	<u>1,722,771,135</u>	<u>1,512,464,455</u>
Total Equity		<u>1,722,771,135</u>	<u>1,512,464,455</u>
Liabilities:			
Non Current Liabilities			
		-	-
Current Liabilities:			
Payables		<u>20,864,485</u>	<u>23,513,584</u>
		<u>20,864,485</u>	<u>23,513,584</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,743,635,620</u></u>	<u><u>1,535,978,039</u></u>

DIRECTOR.....

DATE.....

lw

02/02/2024



M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2023:

	2023 Tshs.	2022 Tshs.
Income:		
Sales	<u>1,531,921,129</u>	<u>1,266,050,520</u>
	<u>1,531,921,129</u>	<u>1,266,050,520</u>
Less: Cost of Sales:		
Opening stock	110,330,404	90,340,050
Add: Purchases	<u>1,155,497,469</u>	<u>978,129,489</u>
	1,265,827,873	1,068,469,539
Less: Closing Stock	<u>145,334,500</u>	<u>110,330,404</u>
COST OF SALES	<u>1,120,493,373</u>	<u>958,139,135</u>
GROSS PROFIT	<u>411,427,756</u>	<u>307,911,385</u>
<u>Less: expenses:</u>		
Salaries and wages	26,345,500	25,532,760
Telephone and Postages	2,061,612	1,908,900
Water and electricity	375,064	333,984
Stationery and printing	898,640	729,120
Transport, handling, travelling and lodging	90,779,579	63,736,277
Security expenses	1,440,000	1,440,000
Medical expenses	1,493,381	1,382,760
Bank charges and others	2,152,138	2,079,360
Professional fees	1,550,000	1,250,000
District levy	350,000	300,000
Business Licence	450,000	400,000
Depreciation	68,975,162	67,098,412
TOTAL OPERATING EXPENSES	<u>196,871,076</u>	<u>166,191,573</u>
NET PROFIT FOR THE YEAR BEFORE TAXATION	<u>214,556,680</u>	<u>141,719,813</u>
LESS: TAXATION	<u>(4,250,000)</u>	<u>(3,350,000)</u>
NET PROFIT FOR THE YEAR AFTER TAXATION	<u>210,306,680</u>	<u>138,369,813</u>

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.12.2023:

	2023 Tshs	2022 Tshs
1 CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year before Taxation and extra - ordinary items	214,556,680	141,719,813
Adjustments for Non cash item		
Depreciation	<u>68,975,162</u>	<u>67,098,412</u>
	<u>283,531,842</u>	<u>208,818,225</u>
<u>WORKING CAPITAL CHANGES:</u>		
(Increase) / Decrease in Receivables and Prepayments	(23,318,766)	(62,505,680)
(Increase)/ Decrease in Goods in Transit	(202,486,127)	(174,750,352)
Increase / (Decrease) in Current Liabilities	(2,649,099)	(1,318,263)
Taxation paid	(4,250,000)	(3,350,000)
(Increase) / Decrease in Inventories	<u>(35,004,096)</u>	<u>(19,990,354)</u>
	<u>(267,708,088)</u>	<u>(261,914,649)</u>
NET CASH FLOW USED FOR OPERATING ACTIVITIES	<u>15,823,754</u>	<u>(53,096,424)</u>
2 CASH FLOW FROM INVESTING ACTIVITIES:		
Additional of property, plants and equipments	<u>(37,535,000)</u>	<u>(14,345,000)</u>
NET CASH FLOW USED FOR INVESTING ACTIVITIES	<u>(37,535,000)</u>	<u>(14,345,000)</u>
3 CASH FLOW FROM FINANCING ACTIVITIES:		
Capital brought in	-	-
Proceeds from long term-borrowings	-	-
Repayments of long term-borrowings	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
CASH CHANGES FOR THE YEAR	<u>(21,711,246)</u>	<u>(67,441,424)</u>
Cash and Cash equivalent at start	<u>70,133,586</u>	<u>137,575,010</u>
Cash and Cash equivalent at close	<u>48,422,340</u>	<u>70,133,586</u>
CASH AND CASH EQUIVALENT AT CLOSE:		
Cash and bank	<u>48,422,340</u>	<u>70,133,586</u>

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2023

1.1: BASIS OF PREPARATION:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The management's financial statements have been prepared under the historical cost conversion.

1.2 NON CURRENT ASSETS:

Non Current assets are shown at cost less subsequent depreciation and impairment.

1.3 DEPRECIATION:

Depreciation is calculated using the reducing balance methods to allocate the cost of each asset to its reducing value over the estimated useful life as follows:

❖ Furniture & Fittings	12.50% P.A
❖ Machinery & Equipment's	12.50% P.A
❖ Land & Buildings	5.00% P.A

1.4 ACCOUNT RECEIVABLES:

Accounts receivables are initially recognized at cost. No impairment review of accounts receivable has been made. No provision for impairment of debtors has been made in these accounts,

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER,2023

1.5 INCOME RECOGNITION:

The following specific recognition criteria must be met before revenue is recognized:

Sales of goods and service: Revenue is recognized when rewards of ownership of goods and services have passed to the buyer.

1.6 CASH AND CASH EQUIVALENT:

Cash and Bank balance in the Balance Sheet comprise each at bank and on hand and short term deposits with the original maturity of twelve months or less. For the purpose of the cash flow statements, cash and cash equivalent consists of cash and cash equivalent as defined above.

1.7 COMPERATIVE FIGURES:

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

M/S. TUNEL INCORPORATION COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2023:

NOTE 2: NON CURRENT ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31.12.2023:

Description	COST / VALUATION				DEPRECIATION				BOOK VALUE	
	As at 1.1.2023	Additions/ (Disposal)	As at 31.12.2023	As at 1.1.2023	Charged/ (Disposal)	As at 31.12.2023	As at 31.12.2023	As at 31.12.2022		
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs		
Furniture & Fittings	12,434,200	-	12,434,200	3,108,550	1,554,275	4,662,825	7,771,375	9,325,650		
Machinery & Equipments	83,345,400	-	83,345,400	20,836,350	10,418,175	31,254,525	52,090,875	62,509,050		
Land and Buildings	1,102,519,240	37,535,000	1,140,054,240	109,534,674	57,002,712	166,537,386	973,516,854	992,984,566		
	1,198,298,840	37,535,000	1,235,833,840	133,479,574	68,975,162	202,454,736	1,033,379,104	1,064,819,266		

NOTE 3: STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2023

	capital	Retained Earnings	Total Equity
	Tshs	Tshs	Tshs
Balance at 1st January, 2023	1,512,464,455	-	1,512,464,455
Net Profit for the year	-	210,306,680	210,306,680
Balance at 31st December, 2023	1,512,464,455	210,306,680	1,722,771,135

M/S. TUNEL INCORPORATION COMPANY LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022.

PREPARED BY:

PHARES K SONGO & CO.

AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTS/

AUDITORS & TAX CONSULTANTS

MWANZA

INDEPENDENT AUDITOR'S REPORT
M/S. TUNEL INCORPORATION COMPANY LIMITED
REPORT ON THE FINANCIAL STATEMENTS.

We have audited the accompanying financial statements of **M/S. TUNEL INCORPORATION COMPANY LIMITED** which comprise the statement of position as at December 31, 2022 and statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of Significant accounting policies and other explanatory notes

Management's Responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards. The 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the financial statements bases on our audits. We conducted our audits in accordance with Internal Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audits 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 misstatements of the financial statements, whether due to fraud or error. In making those risks 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.

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/S. TUNEL INCORPORATION COMPANY LIMITED** Significant accounting policies and other explanatory notes. As at December 31, 2022 and of its statement of comprehensive income, changes in its equity, and its cash flows for the year then ended in accordance with Internal Financial Reporting Standards.


PHARES K. SONGO & CO.
AUTHORIZED CERTIFIED PUBLIC ACCOUNTANTSS/AUDITORS & TAX CONSULTANTS
MWANZA.

Date: 07/02/2025

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF FINANCIAL POSITION AS AT 31.12.2022

	NOTE	2022 Tshs	2021 Tshs
ASSETS EMPLOYED:			
Property, plant and equipments	2	<u>1,064,819,266</u>	<u>1,117,572,678</u>
		<u>1,064,819,266</u>	<u>1,117,572,678</u>
Current Assets:			
Cash and cash equivalents		70,133,586	34,534,500
Receivables		115,944,431	53,438,751
Deposits & Prepayments		174,750,352	-
Inventories		<u>110,330,404</u>	<u>90,340,050</u>
		<u>471,158,773</u>	<u>281,353,811</u>
TOTAL ASSETS		<u><u>1,535,978,039</u></u>	<u><u>1,398,926,489</u></u>
EQUITY AND LIABILITIES:			
Equity:			
Capital and Retained Earnings	3	<u>1,512,464,455</u>	<u>1,374,094,642</u>
Total Equity		<u>1,512,464,455</u>	<u>1,374,094,642</u>
Liabilities:			
Non Current Liabilities			
		-	-
Current Liabilities:			
Payables		<u>23,513,584</u>	<u>24,831,847</u>
		<u>23,513,584</u>	<u>24,831,847</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,535,978,039</u></u>	<u><u>1,398,926,489</u></u>

DIRECTOR..... *[Signature]*

DATE..... *07/02/2025*



M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31.12.2022

	2022 Tshs.	2021 Tshs.
Income:		
Sales	<u>1,266,050,520</u>	<u>1,063,908,000</u>
	1,266,050,520	1,063,908,000
Less: Cost of Sales:		
Opening stock	90,340,050	70,223,305
Add: Purchases	<u>978,129,489</u>	<u>817,331,575</u>
	1,068,469,539	887,554,880
Less: Closing Stock	<u>110,330,404</u>	<u>90,340,050</u>
COST OF SALES	<u>958,139,135</u>	<u>797,214,830</u>
GROSS PROFIT	<u>307,911,385</u>	<u>266,693,170</u>
<u>Less: expenses:</u>		
Salaries and wages	25,532,760	22,202,400
Telephone and Postages	1,908,900	1,818,000
Water and electricity	333,984	298,200
Stationery and printing	729,120	651,000
Transport, handling, travelling and lodging	63,736,277	48,483,768
Security expenses	1,440,000	1,440,000
Medical expenses	1,382,760	1,202,400
Bank charges and others	2,079,360	1,824,000
Professional fees	1,250,000	1,250,000
District levy	300,000	550,000
Business Licence	400,000	350,000
Depreciation	67,098,412	66,381,162
TOTAL OPERATING EXPENSES	<u>166,191,573</u>	<u>146,450,930</u>
NET PROFIT FOR THE YEAR BEFORE TAXATION	141,719,813	120,242,240
LESS: TAXATION	<u>(3,350,000)</u>	<u>(2,850,000)</u>
NET PROFIT FOR THE YEAR AFTER TAXATION	<u>138,369,813</u>	<u>117,392,240</u>

M/S. TUNEL INCORPORATION COMPANY LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31.12.2022

	2022 Tshs	2021 Tshs
1 CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year before Taxation and extra - ordinary items	141,719,813	120,242,240
Adjustments for Non cash item		
Depreciation	<u>67,098,412</u>	<u>66,381,162</u>
	<u>208,818,225</u>	<u>186,623,402</u>
<u>WORKING CAPITAL CHANGES:</u>		
(Increase) / Decrease in Receivables and Prepayments	(62,505,680)	(53,438,751)
(Increase)/ Decrease in Goods in Transit	(174,750,352)	-
Increase / (Decrease) in Current Liabilities	(1,318,263)	24,831,847
Taxation paid	(3,350,000)	(2,850,000)
(Increase) / Decrease in Inventories	<u>(19,990,354)</u>	<u>(90,340,050)</u>
	<u>(261,914,649)</u>	<u>(121,796,954)</u>
NET CASH FLOW USED FOR OPERATING ACTIVITIES	<u>(53,096,424)</u>	<u>64,826,448</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
2 Additional of property, plants and equipments	<u>(14,345,000)</u>	<u>(1,183,953,840)</u>
NET CASH FLOW USED FOR INVESTING ACTIVITIES	<u>(14,345,000)</u>	<u>(1,183,953,840)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
3 Capital brought in	-	1,256,702,402
Proceeds from long term-borrowings	-	-
Repayments of long term-borrowings	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>1,256,702,402</u>
CASH CHANGES FOR THE YEAR	<u>(67,441,424)</u>	<u>137,575,010</u>
Cash and Cash equivalent at start	<u>137,575,010</u>	<u>-</u>
Cash and Cash equivalent at close	<u>70,133,586</u>	<u>137,575,010</u>
CASH AND CASH EQUIVALENT AT CLOSE:		
Cash and bank	<u>70,133,586</u>	<u>34,534,500</u>

M/S. TUNEL INCORPORATION COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.12.2022:

NOTE 2: NON CURRENT ASSETS AND DEPRECIATION FOR THE YEAR ENDED 31.12.2022:

Description	COST / VALUATION			DEPRECIATION			BOOK VALUE		
	As at 1.1.2022	Additions/ (Disposal)	As at 31.12.2022	As at 1.1.2022	Charges/ (Disposal)	As at 31.12.2022	As at 31.12.2022	As at 31.12.2021	
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	
Furniture & Fittings	12,434,200	-	12,434,200	1,554,275	1,554,275	3,108,550	9,325,650	10,879,925	
Machinery & Equipments	83,345,400	-	83,345,400	10,418,175	10,418,175	20,836,350	62,509,050	72,927,225	
Land and Buildings	1,088,174,240	14,345,000	1,102,519,240	54,408,712	55,125,962	109,534,674	992,984,566	1,033,765,528	
	<u>1,183,953,840</u>	<u>14,345,000</u>	<u>1,198,298,840</u>	<u>66,381,162</u>	<u>67,098,412</u>	<u>133,479,574</u>	<u>1,064,819,266</u>	<u>1,117,572,678</u>	

NOTE 3: STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	Capital	Retained Earnings	Total Equity
	Tshs	Tshs	Tshs
Balance at 1st January, 2022	1,374,094,642	-	1,374,094,642
Net Profit for the year	-	138,369,813	138,369,813
Balance at 31st December, 2022	<u>1,374,094,642</u>	<u>138,369,813</u>	<u>1,512,464,455</u>

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2022

1.1: BASIS OF PREPARATION:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The management's financial statements have been prepared under the historical cost conversion.

1.2 NON CURRENT ASSETS:

Non Current assets are shown at cost less subsequent depreciation and impairment.

1.3 DEPRECIATION:

Depreciation is calculated using the reducing balance methods to allocate the cost of each asset to its reducing value over the estimated useful life as follows:

❖ Furniture & Fittings	12.50% P.A
❖ Machinery & Equipment's	12.50% P.A
❖ Land & Buildings	5.00% P.A

1.4 ACCOUNT RECEIVABLES:

Accounts receivables are initially recognized at cost. No impairment review of accounts receivable has been made. No provision for impairment of debtors has been made in these accounts,

M/S. TUNEL INCORPORATION COMPANY LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2022

1.5 INCOME RECOGNITION:

The following specific recognition criteria must be met before revenue is recognized:

Sales of goods and service: Revenue is recognized when rewards of ownership of goods and services have passed to the buyer.

1.6 CASH AND CASH EQUIVALENT:

Cash and Bank balance in the Balance Sheet comprise each at bank and on hand and short term deposits with the original maturity of twelve months or less. For the purpose of the cash flow statements, cash and cash equivalent consists of cash and cash equivalent as defined above.

1.7 COMPERATIVE FIGURES:

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