

ZHENKUN INVESTMENT COMPANY LIMITED

**P. O. BOX 7321
DAR ES SALAAM
TANZANIA**

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

31ST DECEMBER 2022

**I. A. BAPUMIA AND CO.
ACCOUNTANTS, AUDITORS AND TAX CONSULTANTS**

**P. O. BOX 4927
TEL / FAX 2151999, 0754-327499
MHASIBU HOUSE
BIBI TITI MOHAMED STREET
DAR ES SALAAM
TANZANIA**

ZHENKUN INVESTMENT COMPANY LIMITED
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TANZANIA

REPORT OF THE DIRECTORS TO THE MEMEBERS

1. ACCOUNTS:-

The Directors present their Financial Statements for the year **ended 31st December 2022.**

2. ACTIVITIES:-

The Company's principal activity is import and selling of electrical items, building materials and assembling of electrical items.

3. RESULTS:-

During the year under review, the Company recorded a Pre-Tax profit of **TZS 74,598,430**

4. DIVIDENDS:-

The Directors do not recommend the payment of Dividends.

5. DIRECTORS:-

The Directors of the Company who held office during the year were:-

MR. DENG JIAYOU
MR. RAJENDRA PRASAD SUYAL
MR. MURAD SAID SALIM

6. STATEMENT OF DIRECTORS RESPONSIBILITIES:-

In compliance with the provisions of the Companies Act, 2002, the Directors of the Company are required to prepare Financial Statements for each year that give a **True and Fair** view of the State of Affairs and of its **Gain or Loss** for the year under reference.

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REPORT OF THE DIRECTORS TO THE MEMEBERS

7. EMPLOYMENT WELFARE:-

The relationship between Employees and Management has been good. There were no unresolved complaints received by Management from the Employees during the year.

8. AUDITORS:-

M/S I. A. BAPUMIA & CO. have expressed their willingness to be appointed as Auditors.

BY ORDER OF THE BOARD

DAR ES SALAAM

DIRECTORS.....


DATE.....30/07/2023.....

ZHENKUN INVESTMENT COMPANY LIMITED

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DECLARATION OF INDEPENDENT ACCOUNTANT FOR THE YEAR ENDED 31ST DECEMBER 2022

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 required Financial Statements to be accompanied with a declaration issued by an independent Accountant responsible for the preparation of Financial Statements of the Entity.

It is the Duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing Financial Statements of the Entity showing True and Fair view of the Entity's position and performance in accordance with applicable International Accounting Standards and Statutory Financial reporting requirements. Legal responsibility for the preparation of Financial Statements rests with Board of Directors as per the Statements of Director's Responsibilities.

I, ALI M. MANEKIA being the Independent Accountant 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, give a True and Fair View of the Position of the Company and are prepared based on the properly maintained Financial records.

Signature: 

CPA ALI MOHAMEDBAKER MANEKIA
ACPA 4092

NBAA No.: ACPA 4092

Date: 30/07/2023

ZHENKUN INVESTMENT COMPANY LIMITED

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PRACTITIONER'S COMPILATION REPORT FOR THE YEAR ENDED 31ST DECEMBER 2022

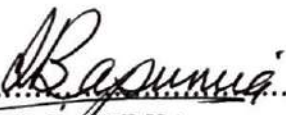
We have compiled the accompanying Financial Statements of ZHENKUN INVESTMENT COMPANY LIMITED based on information you have provided. These Financial Statements comprise the Statement of Financial Position of ZHENKUN INVESTMENT COMPANY LIMITED as at 31st December 2022. The Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cashflows for the year ended and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standards on Relation Services 4410 (Revised) Compilation Engagement.

We have applied our expertise in Accounting and Financial reporting to assist you in the preparation and presentation of these Financial Statements in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs). We have compiled with relevant ethical requirements including principles of Integrity, Objectivity, Professional Competence and due care.

These Financial Statements and the accuracy and completeness of the information used to compile them are Directors responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided to us to compile these Financial Statements. Accordingly, we do not express an Audit Opinion or a review conclusion on whether these Financial Statements are prepared in accordance with IFRS for SMEs.


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IQBAL BAPUMIA
FCPA 213
I. A. BAPUMIA AND CO.
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE.
P. O. BOX 4927
DAR ES SALAAM.

DATE:.....*30/07/2023*.....

I. A. BAPUMIA & CO.
ACCOUNTANTS, AUDITORS & TAX CONSULTANTS
P. O. Box 4927
TEL/FAX: 2151999 / 0754-327499
DAR-ES-SALAAM - TANZANIA

ZHENKUN INVESTMENT COMPANY LIMITED

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TANZANIA

TIN No. 129 - 072 - 903

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	TZS - 2022	TZS - 2021
Sales		5,345,848,810	1,308,905,073
Cost of sales	2	(4,768,204,270)	(1,226,611,538)
Gross profit		577,644,540	82,293,535
Administrative expenses	3	(383,188,819)	(67,115,805)
Finance cost	4	(43,428,749)	(932,082)
Depreciation	5	(76,428,542)	(2,974,217)
Profit before taxation		74,598,430	11,271,432
Corporate tax @ 30%		(865,526)	(4,056,429)
Profit after taxation		73,732,903	7,215,002

ZHENKUN INVESTMENT COMPANY LIMITED

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TIN No. 129 - 072 - 903

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Notes	TZS - 2022	TZS - 2021
ASSETS:			
<u>Non-Current Assets:</u>			
Property, plants and equipment	5	2,668,105,284	178,466,791
<u>Current Assets:</u>			
Inventories		1,102,485,337	663,026,507
Goods in transit		255,431,183	1,108,559,286
Trade and other receivables	6	466,874,558	180,788,100
Cash and bank balance	7	142,558,745	59,719,696
		1,967,349,823	2,012,093,589
TOTAL ASSETS		4,635,455,107	2,190,560,380
EQUITY AND LIABILITIES:			
Equity:			
Share capital	8	500,000,000	500,000,000
<u>Retained earnings:</u>			
Balance at 1st January		(332,684,810)	(339,899,812)
Less: Prior years' tax paid		(22,730,319)	-
Shareholders funds		1,186,180,610	-
Add: Profit for the year		74,598,430	7,215,002
Balance at 31st December		905,363,911	(332,684,810)
<u>Current liabilities:</u>			
Trade and other payables	9	3,237,534,766	2,028,688,761
Taxation		(7,443,570)	(5,443,570)
		3,230,091,196	2,023,245,190
TOTAL EQUITY AND LIABILITIES		4,635,455,107	2,190,560,380

We Confirm that the **Accounting Records, Information and Explanations** given for the purpose of Preparing these Financial Statements are **True and Correct**.


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ZHENKUN INVESTMENT COMPANY LIMITED

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STATEMENT FOR CASHFLOW FOR THE YEAR ENDED 31ST DECEMBER 2022

	TZS - 2022	TZS - 2021
Cash flow from operating activities		
Profit before taxation	74,598,430	11,271,432
Adjustments for:		
Depreciation	76,428,542	2,974,217
Operating profit before changes in working capital	151,026,972	14,245,649
Changes in Working Capital		
Increase in inventories	(439,458,829)	(375,827,974)
Increase in goods in transit	853,128,103	(1,108,559,286)
(Increase) / decrease in trade and other receivables	(286,086,458)	(70,731,783)
Increase in trade and other payables	1,208,846,005	1,738,698,802
	1,336,428,821	183,579,759
Cash generated from operations	1,487,455,793	197,825,407
Tax paid	(24,730,319)	(1,500,000)
Net cash flow from operating activities	1,462,725,474	196,325,407
Cash flow from investing activities		
Purchase of property, plant and equipment	(2,566,067,035)	(161,629,814)
Sale of property, plant and equipment	-	-
	(2,566,067,035)	(161,629,814)
Cash flow from finance activities		
Increase of shareholders funds	1,186,180,610	-
	1,186,180,610	-
Total cash movement for the year	82,839,049	34,695,594
Cash and cash equivalents at the beginning of the year	59,719,696	25,024,102
Cash and cash equivalents at the end of the year	142,558,745	59,719,696

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NOTES TO THE FINANCIAL STATEMENTS

Note 1: PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of Accounting

The Financial Statements are prepared on the historical Cost Concept, modified where necessary to include Revaluation of Assets.

1.2 Gross Operating Income

Profit earned represents mainly the amount invoiced in respect of services rendered.

1.3 Depreciation:

Depreciation is calculated on the Reducing Balance Method to write off the cost of each asset to its residual value over its estimated useful life.

The Principal Annual Rates used for this purposes are as follows:

CLASSIFICATION OF ASSET	RATE PER ANNUM
Furnitures, fittings and equipment	12.5%
Computers and peripherals	37.5%
Plant and machinery	25.0%
Motor vehicle	25.0%

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Notes to the Financial Statement for the year ended 31 December 2022

Note	TZS - 2022	TZS - 2021
2 Cost of sales		
Inventory at 1 January	663,026,507	287,198,533
Purchases and direct cost	5,207,663,100	1,602,439,512
	5,870,689,607	1,889,638,045
Inventory at 31 December	(1,102,485,337)	(663,026,507)
	4,768,204,270	1,226,611,538
3 Administrative expenses		
Accountancy fees	1,500,000	800,000
Advertisement	3,880,508	-
City service levy	16,037,546	3,926,715
Director fees	97,200,000	-
Electricity and water	50,694,087	6,080,246
Fines and penalties	-	2,250,000
Land rent	940,000	-
Legal and professional fees	3,500,000	5,000,000
Licence and other fees	-	600,000
Motor vehicle running	29,400,751	-
NSSF contribution	3,318,000	180,000
Packing materials	-	4,224,000
Printing and stationery	1,937,627	1,622,142
Rent	86,719,000	16,668,000
Repair and maintenance	32,241,095	4,276,000
Salaries and wages	33,180,000	1,800,000
Telephone, postage and internet	4,865,500	4,850,000
Transport and travelling	11,238,936	9,427,902
Security charges	-	3,000,000
Skill and development Levy	1,295,200	-
Staff welfare expenses	4,717,288	2,400,000
TUICO contribution	324,200	-
Worker compensation fund	199,080	10,800
	383,188,819	67,115,805
4 Finance cost		
Bank charges	4,753,245	2,914,275
Foreign exchange	38,675,505	(1,982,193)
	43,428,749	932,082

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Notes to the Financial Statement for the year ended 31 December 2022

Note

5 Property, plant and equipment

	Land	Building Under Construction	Furnitures & Equipment	Computer & Accessories	Plant and machinery	Motor vehicle	Total
	0.0%	5.0%	12.5%	37.5%	25.0%	25.0%	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost							
At the start of the year	115,200,000	46,429,814	20,365,626	3,186,035	-	-	185,181,475
Additions	203,864,000	2,065,949,112	405,578	-	273,390,718	22,457,627	2,566,067,035
At the end of the year	319,064,000	2,112,378,926	20,771,204	3,186,035	273,390,718	22,457,627	2,751,248,510
Depreciation							
At the start of the year	-	-	4,773,193	1,941,490	-	-	6,714,683
Charge for the year	-	-	1,999,751	466,704	68,347,680	5,614,407	76,428,542
At end of the year	-	-	6,772,945	2,408,194	68,347,680	5,614,407	83,143,225
Net Book Value							
As at 31 December 2022	319,064,000	2,112,378,926	13,998,259	777,841	205,043,039	16,843,220	2,668,105,284
As at 31 December 2021	115,200,000	46,429,814	15,592,433	1,244,545	-	-	178,466,791

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Notes to the Financial Statement for the year ended 31 December 2022

	TZS - 2022	TZS - 2021
Note		
6 Trade and other receivables		
Trade receivables	19,818,942	-
Other receivables	116,935,762	19,812,386
VAT account	330,119,855	160,975,714
	466,874,558	180,788,100
7 Cash and bank balance		
Cash in hand	7,854,282	3,346,623
Cash at bank	134,704,464	56,373,073
	142,558,745	59,719,696
8 Share capital		
Authorised		
100 ordinary shares of TZS 5,000,000/- each	500,000,000	500,000,000
Issued and fully paid		
100 ordinary shares of TZS 5,000,000/- each	500,000,000	500,000,000
9 Trade and other payables		
Trade payables	3,229,983,666	1,462,566,819
Other payable	-	561,024,427
Accruals	7,551,100	5,097,515
	3,237,534,766	2,028,688,761

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TAX COMPUTATION FOR THE YEAR ENDED 31ST DECEMBER 2022

TZS - 2022				
Profit as per accounts				74,598,430
Add: <u>Non allowable expenses</u>				
Depreciation				76,428,542
				<u>151,026,972</u>
Less: As per schedule below: Wear and Tear				<u>(148,141,884)</u>
Taxable income				2,885,088
Corporate tax @ 30%				865,526
Less: Provisional tax paid				<u>(2,000,000)</u>
Credit balance				(1,134,474)
SCHEDULE OF WEAR AND TEAR				
	CLASS 1	CLASS 2	CLASS 3	Total
	TZS	TZS	TZS	TZS
	37.5%	25.0%	12.5%	
WDV as at 1 st January 2022	1,991,272	-	17,819,922	19,811,194
Additions	22,457,627	273,390,718	405,578	296,253,923
	<u>24,448,899</u>	<u>273,390,718</u>	<u>18,225,500</u>	<u>316,065,117</u>
Less: Depreciation	(9,168,337)	(68,347,680)	(2,278,187)	(79,794,204)
Initial allowance	-	(68,347,680)	-	(68,347,680)
WDV as at 31st December 2022	15,280,562	205,043,039	15,947,312	167,923,233



ACKNOWLEDGEMENT RECEIPT

Taxpayer Name: ZHENKUN INVESTMENT COMPANY LIMITED
Taxpayer TIN: 129-072-903
Filed by: MURAD SAID SALIM
Declarant TIN: 103-586-135
Return Type: Return of Income for Entity - All Businesses except Insurance, Banking, Mining or Petroleum
Period : 2022
Submitted on: 30 July 2023 09:51:46 PM

ACKNOWLEDGEMENT OF RECEIPT

Thank you for using e-filing services.

Tanzania Revenue Authority (TRA) hereby acknowledge that on 30 July 2023 09:51:46 PM received your document and assigned an e-document number 2022129072903030339977 as per Regulation 72 of the Tax Administration (General) Regulations, 2016. Please quote this number in communication regarding this particular document.

"Together We Build Our Nation"

Masau C. Malima
Regional Manager
Ilala Tax Region

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