

The Box Factory Limited

**Annual report and financial statements
for the year ended 31 December 2023**

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The Box Factory Limited

Company information for the year ended 31 December 2023

Directors	Mr. Kazim Fazlehussein Kermali	-	Tanzanian
	Mr. Shabbar Fazlehussein Kermali	-	Tanzanian
	Mr. Sheni Mohamedraza Bandali	-	Tanzanian
	Mrs. Samira Bandali	-	British

Registered office Plot No. 9
Jamana House, Second Floor
Nyerere Road, Temeke District
P.O. Box 39917
Dar es Salaam

Company secretary Mr. Shabbar Fazlehussein Kermali
P.O. Box 39917
Dar es Salaam

Accountants M. A. Hassam & Co.
Certified Public Accountants in Public Practice
Mtendeni Street
P.O. Box 20719
Dar es Salaam

Bankers NCBA Bank Tanzania Limited
Samora (Main) Branch
P.O. Box 9640
Dar es Salaam

Diamond Trust Bank Limited
Nyerere Road Branch
Quality Plaza Nyerere Road
P.O. Box 115
Dar es Salaam

Azania Bank Limited
Industrial Branch
P.O. Box 96
Dar es Salaam

I & M Bank (Tanzania) Limited
Maktaba Branch
P.O. Box 1509
Dar es Salaam

The Box Factory Limited

Directors' report for the year ended 31 December 2023

The directors present their report and financial statements for the year ended 31 December 2023.

Incorporation

The company is incorporated in Tanzania under the Companies Act, 2002 on 20th July 2007 under the Certificate of Incorporation No. 61260.

Principal activities

The principal activity of the company is manufacture and sale of corrugated boxes.

Directors' interests

The directors' interest in the share capital of the company is as follows:

	Ordinary shares of TZS 1,000/- each			
	<u>2023</u>		<u>2022</u>	
	No. of shares	Nominal value TZS '000	No. of shares	Nominal value TZS '000
Kazim Fazlehussein Kermali	775,000	775,000	775,000	775,000
Shabbar Fazlehussein Kermali	775,000	775,000	775,000	775,000
Sheni Mohamedraza Bandali	968,750	968,750	775,000	775,000
Samira Bandali	968,750	968,750	775,000	775,000
	<u>3,487,500</u>	<u>3,487,500</u>	<u>3,100,000</u>	<u>3,100,000</u>

Dividends

The directors do not recommend the payment of dividends.

The Box Factory Limited

**Directors' report
for the year ended 31 December 2023**

Results for the year

The performance of the company during the year is set out on page 6 of these financial statements.

Accountants

The accountants, M A Hassam & Co. have indicated their willingness to continue in office and are eligible for re-appointment.

By order of the board



Shabbar Fazlehussein Kermali
Director

Date: 28/6/2024

The Box Factory Limited

Statement of directors' responsibilities for the year ended 31 December 2023

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act, 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2023 and of its operating results for the year then ended. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.



Shabbar Fazlehussein Kermali
Director



Sheri Mohamedraza Bandali
Director

Date: 28/6/2024

The Box Factory Limited

**Declaration of independent accountant
for the year ended 31 December 2023**

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 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 the Board of Directors as per the Statement of Directors' Responsibilities on Page 3.

I, Shedrak L Mshahid being the independent accountant hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 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 properly maintained financial records.

Signature: [Handwritten Signature]
NBAA No.: ACPA 581
Date: 28 06 2024



M. A. Hassam & Co.

Certified Public Accountants in Public Practice

P.O. Box 20719, Dar es Salaam

Telephone: 2134071, 2110648, 2110129

Email: info@mahassam.co.tz

**Practitioners' compilation report
To the Management of The Box Factory Limited
for the year ended 31 December 2023**

We have compiled the accompanying financial statements of The Box Factory Limited based on information you have provided. These financial statements are presented in accordance with the financial reporting framework. The financial statements comprise the statement of financial position for the year ended 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for these financial statements, including adoption of the applicable financial reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of expressing an audit opinion or a review conclusion.



Murtaza Hassam - ACPA 2239
Partner
M. A. Hassam & Co.
Certified Public Accountants in Public Practice

Dar es Salaam

Date : 28.06.2024



The Box Factory Limited

Statement of comprehensive income
for the year ended 31 December 2023

	Notes	2023 TZS	2022 TZS
Sales		45,139,373,867	33,578,064,346
Cost	2	<u>(33,459,711,476)</u>	<u>(25,817,040,659)</u>
Gross profit		11,679,662,391	7,761,023,687
Other income	3	385,799,797	271,746,657
Selling and distribution expenses		(432,507,848)	(146,546,835)
Administrative expenses		<u>(2,884,066,697)</u>	<u>(2,141,015,677)</u>
Operating profit before depreciation		8,748,887,643	5,745,207,832
Loss on disposal of assets		(456,115,448)	-
Depreciation		(3,329,510,694)	(1,458,034,428)
Finance cost	4	<u>(3,692,406,602)</u>	<u>(1,245,370,726)</u>
Profit before tax	5	1,270,854,899	3,041,802,678
Income tax expense	6	<u>(414,610,936)</u>	<u>(831,376,491)</u>
Profit for the year		<u>856,243,963</u>	<u>2,210,426,187</u>

The accounting policies and notes on pages 11 to 20 form part of these financial statements.
Practitioners' compilation report on page 6

The Box Factory Limited

**Statement of financial position
as at 31 December 2023**

	Notes	2023 TZS	2022 TZS
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>31,908,005,685</u>	<u>33,855,985,722</u>
Current assets			
Inventories	8	8,223,359,480	8,010,415,750
Trade and other receivables	9	18,189,217,954	16,286,599,831
Cash and bank balances	10	441,270,924	876,079,336
		<u>26,853,848,358</u>	<u>25,173,094,917</u>
Total assets		<u>58,761,854,042</u>	<u>59,029,080,638</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,875,000,000	3,875,000,000
Revaluation reserve		6,956,826,069	7,063,807,622
Retained earnings		5,710,424,001	4,997,603,461
Total equity		<u>16,542,250,070</u>	<u>15,936,411,083</u>
Non - current liabilities			
Borrowings	13	20,050,418,787	7,228,564,000
Deferred tax	14	2,309,172,611	1,890,882,318
		<u>22,359,591,398</u>	<u>9,119,446,318</u>
Current liabilities			
Borrowings	13	5,063,606,831	5,103,333,455
Trade and other payables	15	14,765,359,705	28,860,601,305
Taxation	16	31,046,038	9,288,479
		<u>19,860,012,574</u>	<u>33,973,223,238</u>
Total liabilities		<u>42,219,603,972</u>	<u>43,092,669,556</u>
Total equity and liabilities		<u>58,761,854,042</u>	<u>59,029,080,638</u>

The financial statements were approved by the board of directors on... 28/6/2024 and were signed on their behalf by:


Shabbar Fazlehussein Kermali
Director


Sheni Mohamedraza Bandali
Director

The accounting policies and notes on pages 11 to 20 form part of these financial statements.
Practitioners' compilation report on page 6

The Box Factory Limited

**Statement of changes in equity
for the year ended 31 December 2023**

	Share capital TZS	Revaluation reserve TZS	Retained earnings TZS	Total TZS
Balance at 1 January 2022	3,100,000,000	-	2,568,026,700	5,668,026,700
Depreciation on land reversed	-	-	518,964,077	518,964,077
Deferred tax adjustment due to reversal	-	-	(155,689,223)	(155,689,223)
Prior years corporate tax adjustment	-	-	(78,254,825)	(78,254,825)
Prior years Withholding tax paid	-	-	(27,934,413)	(27,934,413)
Prior years SDL paid as per assessment	-	-	(8,928,686)	(8,928,686)
Prior years VAT paid	-	-	(29,006,356)	(29,006,356)
Increase share capital	775,000,000	-	-	775,000,000
Revaluation of land and building	-	7,063,807,622	-	7,063,807,622
Profit for the year	-	-	2,210,426,187	2,210,426,187
Balance at 31 December 2022	3,875,000,000	7,063,807,622	4,997,603,461	15,936,411,083
Balance at 1 January 2023	3,875,000,000	7,063,807,622	4,997,603,461	15,936,411,083
Prior years deferred tax adjustment	-	-	(3,679,357)	(3,679,357)
Transfer of depreciation on building	-	(106,981,553)	106,981,553	-
Prior years corporate tax adjustment	-	-	(190,291,353)	(190,291,353)
Prior years SDL paid as per assessment	-	-	(7,188,017)	(7,188,017)
Prior years VAT paid	-	-	(10,020,623)	(10,020,623)
Prior years Withholding tax paid	-	-	(39,225,626)	(39,225,626)
Profit for the year	-	-	856,243,963	856,243,963
Balance at 31 December 2023	3,875,000,000	6,956,826,069	5,710,424,001	16,542,250,070

Practitioners' compilation report on page 6

The Box Factory Limited

Statement of cash flow
for the year ended 31 December 2023

	Note	2023 TZS	2022 TZS
Operating activities			
Cash surplus from operations	17	(10,429,969,413)	5,204,295,934
Provisional tax paid		(6,750,000)	(6,750,000)
Withholding tax on sale of goods		(7,136,219)	(33,276,320)
Withholding tax deducted on interest income		(38,579,980)	-
Prior year tax paid		(172,501,860)	(212,262,839)
Net cash generated from operating activities		(10,654,937,472)	4,952,006,775
Investment activities			
Purchase of property, plant and equipment		(2,751,110,968)	(12,746,945,738)
Proceed from disposal of assets		189,111,864	
Net cash used in investing activities		(2,561,999,104)	(12,746,945,738)
Financing activities			
Increase in share capital		-	775,000,000
Increase in non-current borrowings		12,821,854,787	4,205,488,000
Net cash (use in) / generated from financing activities		12,821,854,787	4,980,488,000
Net decrease in cash and cash equivalents		(395,081,789)	(2,814,450,963)
Cash and bank balance at the beginning of the year		(4,227,254,119)	(1,412,803,156)
Cash and cash equivalents at the end of the year	10	(4,622,335,907)	(4,227,254,119)

The accounting policies and notes on pages 11 to 20 form part of these financial statements.
Practitioners' compilation report on page 6

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

1. Principal accounting policies

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

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention.

(b) Revenue and expenditure 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.

Sales of products:

Sales are recognised upon delivery of goods or performance of services and customer acceptance, and are stated net of Value Added Tax (VAT).

Expenditure:

Expenses are recognised in the income statement in the period in which they are incurred.

(c) Translation of foreign currency

Transactions in foreign currencies during the period are converted into Tanzanian Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at rates ruling at that date. The resulting differences from conversion of and translation are dealt within the profit and loss account in the period in which they relate.

All items of property, plant and equipment are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

(d) Property, plant and equipment

Other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss.

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life. Applicable depreciation rates as follows:

Building	5.0%
<u>Motor vehicles</u>	
- Heavy duty	37.5%
- Light duty	25.0%
Plant and machinery	12.5%
Furniture and fittings	12.5%
Office and electrical equipment	12.5%
Forklift	12.5%

(e) Impairment of assets

At each balance sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the income statement whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use.

(f) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using first-in first-out (FIFO) method. Net realisable value is estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(g) Trade and other receivables

Trade receivables are initially recognised at original invoice amount. An impairment of receivable is made when it is reasonably established that the company will not be able to collect the amount originally invoiced. Bad debts are written off when identified.

Other receivables are carried at anticipated realizable value.

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

(h) Cash and bank balance

Cash and bank balance are carried in the statement of financial position at cost.

(i) Deferred income taxes

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

(j) Payables

Payables are stated at their nominal value.

(k) Employee benefits

The company contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Fund Act. The company's contributions are charged to the income statement in the period to which they relate.

(l) Dividends

Dividends are recognised as a liability in the period in which they are declared.

The Box Factory Limited

Notes to the financial statements
for the year ended 31 December 2023

		2023 TZS	2022 TZS
2. Cost			
Inventory of finished goods at 1 January		204,373,326	31,836,468
Production cost	2.1	33,969,873,970	25,989,577,517
		<u>34,174,247,296</u>	<u>26,021,413,985</u>
Inventory of finished goods at 31 December		(714,535,820)	(204,373,326)
		<u>33,459,711,476</u>	<u>25,817,040,659</u>
2.1 Production cost			
<u>Raw material</u>			
Inventory at 1 January		7,778,171,522	740,965,540
Purchases		24,521,043,794	28,359,058,193
Direct expenses		2,234,102,113	1,361,962,499
		<u>34,533,317,429</u>	<u>30,461,986,232</u>
Inventory at 31 December		(7,295,910,610)	(7,778,171,522)
		<u>27,237,406,819</u>	<u>22,683,814,710</u>
<u>Labour</u>			
Salaries and wages		3,217,695,477	1,898,444,718
Loading expenses		22,680,100	16,580,000
NSSF contribution		323,124,802	189,845,274
Skills and development levy		119,639,364	75,967,791
Workers compensation fund		16,156,306	10,339,399
		<u>3,699,296,048</u>	<u>2,191,177,182</u>
<u>Overhead</u>			
Power		694,935,702	270,396,055
Forklift running expenses		61,430,604	43,363,197
Machinery maintenance	B.4	915,844,565	417,020,455
Factory building maintenance		192,984,055	115,735,765
Factory and warehouse rent		1,340,833,626	270,325,845
		<u>3,206,028,553</u>	<u>1,116,841,317</u>
<u>Work in progress</u>			
Inventory at 1 January		16,568,500	14,312,808
Inventory at 31 December		(189,425,950)	(16,568,500)
		<u>(172,857,450)</u>	<u>(2,255,692)</u>
Cost of goods produced		<u>33,969,873,970</u>	<u>25,989,577,517</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

	2023 TZS	2022 TZS
3. Other income		
Interest received	<u>385,799,797</u>	<u>271,746,657</u>
4. Finance cost		
Interest on loan and overdraft	2,368,354,612	1,021,413,064
Foreign exchange loss	<u>1,324,051,990</u>	<u>223,957,662</u>
	<u>3,692,406,602</u>	<u>1,245,370,726</u>
5. Profit / (loss) before tax		
The following items have been charged in arriving at operating profit:		
Accountancy fees	7,000,000	6,000,000
Depreciation	3,329,510,694	1,458,034,428
Directors' fees	-	400,000,000
Employment cost	4,534,128,914	2,772,764,758
6. Income tax expense / credit		
Current year's tax at 30%	-	-
Deferred tax (Note 14)	<u>414,610,936</u>	<u>831,376,491</u>
	<u>414,610,936</u>	<u>831,376,491</u>

The Box Factory Limited

Notes to the financial statements
for the year ended 31 December 2023

7. Property, plant and equipment

	Land and buildings	Revaluation of land and building	Plant and machinery	Forklift	Motor vehicles		Furniture and fittings	Office and other equipments	Total
	TZS	TZS	TZS	TZS	Heavy duty	Light duty	TZS	TZS	TZS
Cost									
At the start of the year	1,466,719,914	7,063,807,622	33,643,578,178	498,539,768	344,516,869	171,299,124	100,143,765	1,108,497,467	44,397,102,707
Adjustment	-	-	(724,353,000)	-	-	-	-	-	(724,353,000)
Additions	-	-	1,921,109,614	134,520,000	386,115,247	12,690,170	172,086,614	124,589,323	2,751,110,968
Disposal	-	-	(2,597,421,426)	-	(40,000,000)	-	-	-	(2,637,421,426)
At the end of the year	1,466,719,914	7,063,807,622	32,242,913,366	633,059,768	690,632,116	183,989,294	272,230,379	1,233,086,790	43,786,439,249
Depreciation									
At start of the year	292,527,537	-	8,579,278,284	299,190,076	307,009,869	64,792,537	58,633,264	939,685,417	10,541,116,984
Disposal	-	-	(1,989,694,114)	-	(2,500,000)	-	-	-	(1,992,194,114)
Charge for the year	20,894,824	106,981,553	2,999,274,079	67,024,103	60,330,507	31,882,429	9,936,631	33,186,568	3,329,510,694
At end of the year	313,422,361	106,981,553	9,588,858,249	366,214,179	364,840,376	96,674,966	68,569,895	972,871,985	11,878,433,564
Net book value									
As at 31 December 2023	1,153,297,553	6,956,826,069	22,654,055,117	266,845,589	325,791,740	87,314,328	203,660,484	260,214,805	31,908,005,685
As at 31 December 2022	1,174,192,377	7,063,807,622	25,064,299,894	199,349,692	37,507,000	106,506,587	41,510,501	168,812,050	33,855,985,722

Practitioners' compilation report on page 6

The Box Factory Limited

Notes to the financial statements
for the year ended 31 December 2023

	2023 TZS	2022 TZS
8. Inventories		
Finished goods	714,535,820	204,373,326
Raw material	7,295,910,610	7,778,171,522
Work in progress	189,425,950	16,568,500
Spares	16,384,312	7,460,429
Stationery	7,102,788	3,841,973
	<u>8,223,359,480</u>	<u>8,010,415,750</u>
9. Trade and other receivables		
Trade	8,749,350,923	8,326,752,057
Due from related party	6,777,216,427	6,429,996,610
Deposits and prepayments	75,677,065	40,948,228
Staff loan and advance	130,022,175	55,437,691
VAT credit	29,159,834	808,028,806
Others	2,427,791,530	625,436,440
	<u>18,189,217,954</u>	<u>16,286,599,831</u>
10. Cash and cash equivalent		
Cash balance	28,711,006	24,697,827
Bank balance	412,559,917	851,381,508
	<u>441,270,924</u>	<u>876,079,336</u>
Bank overdraft	(5,063,606,831)	(5,103,333,455)
	<u>(4,622,335,907)</u>	<u>(4,227,254,119)</u>
11. Share capital		
Authorised		
5,000,000 ordinary shares of TZS 1,000/- each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
Issued and fully paid		
3,875,000 ordinary shares of TZS 1,000/- each	<u>3,875,000,000</u>	<u>3,875,000,000</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

	2023 TZS	2022 TZS
13. Borrowings		
The borrowings are made up as follows:		
Current		
Bank overdraft	<u>5,063,606,831</u>	<u>5,103,333,455</u>
Non-current		
Borrowings	<u>20,050,418,787</u>	<u>7,228,564,000</u>

The company has been accorded with the following credit facilities by I & M Bank (T) Limited:

- (i) Overdraft facility of TZS 5,000,000,000 renewed on 13 December 2023.
- (ii) Letter of credit cum post loan facility of USD 1,250,000 renewed on 13 December 2023.
- (iii) Term loan 1 facility of TZS 2,500,000,000 as per offer letter dated 1 July 2021 with the outstanding balance of TZS 1,927,083,333 as at 31 December 2023.
- (iv) Term loan 2 facility of TZS 4,700,000,000 as per offer letter dated 11 May 2022 with the outstanding balance of TZS 4,151,666,667 as at 31 December 2023.
- (v) Term loan 3 facility of US\$ 5,450,000 as per letter dated 13 December 2023.

The bank facilities are secured by:

- (i) Existing legal mortgage on Plot no. 105 located at Kisaware, Kigamboni with CT no. 191599 registered in the name of Majestic Holdings Limited. (Charge to be varied to secure the sum of TZS 35,800,000,000).
- (ii) Existing Debenture charge over all assets of the Company including machinery purchased under this arrangement. (Charge to be varied to secure the sum of TZS 35,800,000,000).
- (iii) Existing Corporate of Majestic Holdings Limited (fresh guarantee to be obtained)
- (iv) Existing Joint and severally guarantee issued by the Directors of the Company.

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

	2023 TZS	2022 TZS
14. Deferred tax		
As at 1 January	1,890,882,318	903,816,604
Prior years adjustment	3,679,357	155,689,223
Credit / (charge) for the year	414,610,936	831,376,491
As at 31 December	<u>2,309,172,611</u>	<u>1,890,882,318</u>
Deferred tax asset is made as follows:		
Adjusted tax loss	(1,788,167,565)	(3,679,357)
Accelerated capital allowance	4,097,340,176	1,894,561,675
	<u>2,309,172,611</u>	<u>1,890,882,318</u>
15. Trade and other payables		
Trade	8,817,400,006	27,607,142,632
Refundable deposit	4,642,500,000	-
Directors' current account	921,250,768	921,250,768
Others	93,282,452	105,587,796
Accruals and provisions	290,926,479	226,620,109
	<u>14,765,359,705</u>	<u>28,860,601,305</u>
16. Taxation		
As at 1 January	9,288,479	117,453,357
Prior year's corporate tax adjustment	190,291,353	78,254,825
Current year	-	-
	<u>199,579,831</u>	<u>195,708,182</u>
Less: Provisional tax paid	(6,750,000)	(6,750,000)
Withholding tax deducted by customers	(7,136,219)	(33,276,320)
Withholding tax deducted on interest income	(38,579,980)	-
Prior year tax paid	(116,067,594)	(146,393,384)
	<u>31,046,038</u>	<u>9,288,479</u>
The breakdown of the above balance is as per below:		
(Credit) / payable for the current year	(52,466,199)	(40,026,320)
Balance payable relating to previous years as per assessments received requested installments	83,512,237	49,314,798
	<u>31,046,038</u>	<u>9,288,479</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2023

	2023 TZS	2022 TZS
17. Reconciliation of profit before tax to cash generated from operations:		
Profit before tax	1,270,854,899	3,041,802,678
Adjustment for:		
Depreciation	3,329,510,694	1,458,034,428
Loss on disposal of assets	456,115,448	-
Adjustment in plant and machinery	724,353,000	-
Changes in working capital		
Increase in inventories	(212,943,730)	(7,211,611,127)
Increase in trade and other receivables	(1,902,618,123)	(6,962,201,369)
Increase in trade and other payables	(14,095,241,600)	14,878,271,325
Cash surplus from operations	<u>(10,429,969,413)</u>	<u>5,204,295,934</u>

18. Contingent liabilities

The company had no contingent liabilities, as at 31 December 2023.

The Box Factory Limited

**Schedule to the financial statements
for the year ended 31 December 2023**

	2023 TZS	2022 TZS
A Selling and distribution expenses		
Advertisement and sales promotion	3,730,000	910,000
Carriage outwards	48,486,720	270,339
Discount allowed	-	168,504
Salaries and wages	44,798,335	38,502,492
NSSF contribution	4,459,507	3,850,300
Skills and development levy	1,696,892	1,540,102
Vehicle running and repairs	329,113,422	101,088,443
Workers compensation fund	222,972	216,655
	<u>432,507,848</u>	<u>146,546,835</u>
B Administrative expenses		
Accountancy fees	7,000,000	6,000,000
Bank charges	256,030,523	121,300,047
Directors' fees	-	400,000,000
Donation	4,200,000	-
Electricity and water	14,182,361	14,231,371
Employment costs	B.1 783,655,160	537,478,027
Insurance	139,522,232	74,319,016
Licences	173,771,085	173,203,270
Office and general expenses	196,737,967	134,681,806
Postage, telephone, fax and internet	49,742,829	20,478,504
Printing and stationery	B.2 39,986,830	21,629,297
Rent	368,471,100	146,641,728
Repairs and maintenance	B.3 269,736,450	172,490,081
Medical	4,750,528	8,786,990
Security	22,770,000	34,565,000
Staff training	44,186,600	34,775,400
Transport and travelling	305,059,371	188,591,818
Vehicle running expenses	204,263,660	51,843,323
	<u>2,884,066,697</u>	<u>2,141,015,677</u>

The Box Factory Limited

Schedule to the financial statements
for the year ended 31 December 2023

	2023 TZS	2022 TZS	
B.1 Employment costs			
Salaries and wages	687,523,318	455,240,835	
Skills and development levy	25,342,928	34,209,633	
NSSF contribution	67,417,991	45,524,084	
Workers compensation fund	3,370,922	2,503,475	
	<u>783,655,160</u>	<u>537,478,027</u>	
B.2 Printing and stationery			
Inventories at 1 January	3,841,973	2,904,276	
Purchases	43,247,645	22,566,994	
	<u>47,089,618</u>	<u>25,471,270</u>	
Less: Closing inventory	(7,102,788)	(3,841,973)	
	<u>39,986,830</u>	<u>21,629,297</u>	
B.3 Repairs and maintenance			
Repairs and maintenance - office and general	76,516,170	90,311,319	
Repairs and maintenance - vehicle	183,063,225	76,087,406	
Repairs and maintenance - building	10,157,056	6,091,356	
	<u>269,736,450</u>	<u>172,490,081</u>	
B.4 Repairs and maintenance - machinery (spares)			
Inventories at 1 January	7,460,429	8,785,532	
Purchases	924,768,449	415,695,353	
	<u>932,228,877</u>	<u>424,480,884</u>	
Less: Closing inventory	(16,384,312)	(7,460,429)	
	<u>915,844,565</u>	<u>417,020,455</u>	
C Loss on disposal of assets			
Particulars	NBV as at 1 Jan 2023	Proceeds	(Loss) / gain on disposal
Corrugated box machine	607,724,312	176,400,000	(431,324,312)
Vehicle T 709 DJH	37,500,000	8,474,576	(29,025,424)
Steam Boiler	3,000	4,237,288	4,234,288
	<u>645,227,312</u>	<u>189,111,864</u>	<u>(456,115,448)</u>