

The Box Factory Limited

Annual report and financial statements for the year ended 31 December 2024

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The Box Factory Limited

Company information for the year ended 31 December 2024

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		
	Equity Bank Tanzania Supreme Branch P.O. Box 110183 Dar es Salaam		
	Exim Bank (T) Limited Nyerere Road Branch P.O. Box 1431 Dar es Salaam		
	CRDB Bank PLC Pugu Road Branch P.O. Box 40292 Dar es Salaam		
	National Microfinance Bank Ilala Branch P.O. Box 25431 Dar es Salaam		

The Box Factory Limited

Directors' report for the year ended 31 December 2024

The directors present their report and financial statements for the year ended 31 December 2024.

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			
	2024		2023	
	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	968,750	968,750
Samira Bandali	968,750	968,750	968,750	968,750
	<u>3,487,500</u>	<u>3,487,500</u>	<u>3,487,500</u>	<u>3,487,500</u>

Dividends

The directors do not recommend the payment of dividends.

The Box Factory Limited

**Directors' report
for the year ended 31 December 2024**

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



Shabbir Fazlehussein Kermali
Director

Date: 27 / 6 / 2025

The Box Factory Limited

**Statement of directors' responsibilities
for the year ended 31 December 2024**

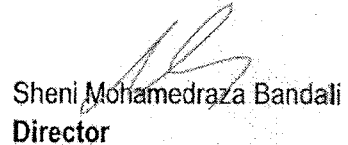
The Companies Act, 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the 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 2024 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



Sheni Mohamedraza Bandali
Director

Date: 27/6/2025

The Box Factory Limited

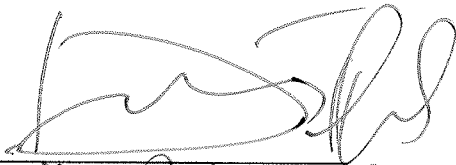
**Declaration of independent accountant
for the year ended 31 December 2024**

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.

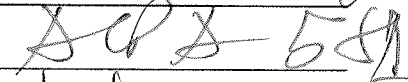
It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory 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.

Shadrack F. Msekahile being the independent accountant hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 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: _____

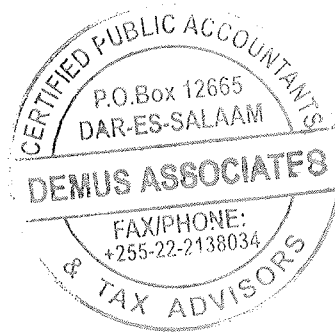


NBAA No.: _____



Date: _____

27/6/2025



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

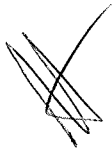
**Practitioners' compilation report
To the Management of The Box Factory Limited
for the year ended 31 December 2024**

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 2024, 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 : 27.06.2025



The Box Factory Limited

Statement of comprehensive income for the year ended 31 December 2024

	Notes	2024 TZS	2023 TZS
Sales		49,734,750,783	45,139,373,867
Cost	2	<u>(41,405,655,924)</u>	<u>(33,459,711,476)</u>
Gross profit		8,329,094,859	11,679,662,391
Other income	3	363,955,268	385,799,797
Selling and distribution expenses		(643,862,841)	(432,507,848)
Administrative expenses		<u>(4,185,115,428)</u>	<u>(2,884,066,697)</u>
Operating profit before depreciation		3,864,071,858	8,748,887,643
Gain / (loss) on disposal of assets		10,168,492	(456,115,448)
Depreciation		(4,302,652,748)	(3,329,510,694)
Finance cost	4	<u>(4,814,501,260)</u>	<u>(3,692,406,602)</u>
(Loss) / profit before tax	5	(5,242,913,658)	1,270,854,899
Income tax expense	6	<u>1,539,999,631</u>	<u>(414,610,936)</u>
(Loss) / profit for the year		<u><u>(3,702,914,027)</u></u>	<u><u>856,243,963</u></u>

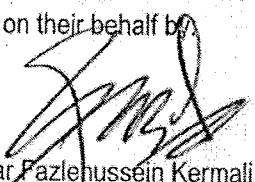
The accounting policies and notes on pages 11 to 20 form part of these financial statements.
Practitioners' compilation report on page 6


The Box Factory Limited

**Statement of financial position
as at 31 December 2024**

	Notes	2024 TZS	2023 TZS
ASSETS			
Non-current assets			
Property, plant and equipment	7	36,614,135,170	31,908,005,684
Current assets			
Inventories	8	14,465,429,328	8,223,359,480
Trade and other receivables	9	17,783,151,505	18,189,217,954
Cash and bank balances	10	767,058,316	441,270,924
		<u>33,015,639,150</u>	<u>26,853,848,358</u>
Total assets		<u><u>69,629,774,319</u></u>	<u><u>58,761,854,042</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,875,000,000	3,875,000,000
Revaluation reserve		6,849,844,516	6,956,826,069
Retained earnings		1,832,309,669	5,710,424,001
Total equity		<u>12,557,154,185</u>	<u>16,542,250,070</u>
Non - current liabilities			
Borrowings	13	20,409,977,029	20,050,418,787
Deferred tax	14	888,425,422	2,309,172,611
		<u>21,298,402,451</u>	<u>22,359,591,398</u>
Current liabilities			
Borrowings	13	4,755,983,450	5,063,606,831
Trade and other payables	15	31,126,711,885	14,765,359,705
Taxation	16	(108,477,653)	31,046,038
		<u>35,774,217,682</u>	<u>19,860,012,574</u>
Total liabilities		<u>57,072,620,133</u>	<u>42,219,603,972</u>
Total equity and liabilities		<u><u>69,629,774,319</u></u>	<u><u>58,761,854,042</u></u>

The financial statements were approved by the board of directors on... 27/6/2025 ... 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 2024**

	Share capital TZS	Revaluation reserve TZS	Retained earnings TZS	Total TZS
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 assessm	-	-	(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
Balance at 1 January 2024	3,875,000,000	6,956,826,069	5,710,424,001	16,542,250,070
Prior year deferred tax adjustment	-	-	(119,252,442)	(119,252,442)
Prior years taxes paid / payable	-	-	(162,929,415)	(162,929,415)
Transfer of depreciation on building	-	(106,981,553)	106,981,553	-
Loss for the year	-	-	(3,702,914,027)	(3,702,914,027)
Balance at 31 December 2024	3,875,000,000	6,849,844,516	1,832,309,669	12,557,154,186

The Box Factory Limited

**Statement of cash flow
for the year ended 31 December 2024**

	Note	2024 TZS	2023 TZS
Operating activities			
Cash surplus from / (deficit) operations	17	9,574,919,378	(10,429,969,413)
Provisional tax paid		(11,250,000)	(6,750,000)
Withholding tax on sale of goods		(8,365,927)	(7,136,219)
Withholding tax deducted on interest income		(36,395,527)	(38,579,980)
Prior year tax paid		(246,441,652)	(172,501,860)
Net cash generated from / (used in) operating activities		9,272,466,272	(10,654,937,472)
Investment activities			
Purchase of property, plant and equipment		(9,008,783,233)	(2,751,110,968)
Proceed from disposal of assets		10,169,492	189,111,864
Net cash used in investing activities		(8,998,613,741)	(2,561,999,104)
Financing activities			
Increase in non-current borrowings		359,558,242	12,821,854,787
Net cash generated from financing activities		359,558,242	12,821,854,787
Net increase / (decrease) in cash and cash equivalents		633,410,773	(395,081,789)
Cash and bank balance at the beginning of the year		(4,622,335,907)	(4,227,254,119)
Cash and cash equivalents at the end of the year	10	(3,988,925,134)	(4,622,335,907)

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 2024

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 2024

(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 2024

(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 2024

	2024 TZS	2023 TZS
2. Cost		
Inventory of finished goods at 1 January	714,535,820	204,373,326
Production cost 2.1	42,216,668,461	33,969,873,970
	<u>42,931,204,281</u>	<u>34,174,247,296</u>
Inventory of finished goods at 31 December	(1,525,548,357)	(714,535,820)
	<u>41,405,655,924</u>	<u>33,459,711,476</u>
2.1 Production cost		
<u>Raw material</u>		
Inventory at 1 January	7,295,910,610	7,778,171,522
Purchases	37,647,253,000	24,521,043,794
Direct expenses	2,567,371,774	2,234,102,113
	<u>47,510,535,384</u>	<u>34,533,317,429</u>
Inventory at 31 December	(12,630,393,063)	(7,295,910,610)
	<u>34,880,142,321</u>	<u>27,237,406,819</u>
<u>Labour</u>		
Salaries and wages	3,323,064,226	3,217,695,477
Loading expenses	16,935,000	22,680,100
NSSF contribution	335,218,699	323,124,802
Skills and development levy	117,326,529	119,639,364
Workers compensation fund	16,760,977	16,156,306
	<u>3,809,305,432</u>	<u>3,699,296,048</u>
<u>Overhead</u>		
Power	756,282,425	694,935,702
Forklift running expenses	79,320,397	61,430,604
Machinery maintenance B.4	1,084,366,056	915,844,565
Factory building maintenance	291,202,411	192,984,055
Factory and warehouse rent	1,408,950,000	1,340,833,626
	<u>3,620,121,288</u>	<u>3,206,028,553</u>
<u>Work in progress</u>		
Inventory at 1 January	189,425,950	16,568,500
Inventory at 31 December	(282,326,530)	(189,425,950)
	<u>(92,900,580)</u>	<u>(172,857,450)</u>
Cost of goods produced	<u>42,216,668,461</u>	<u>33,969,873,970</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2024

	2024 TZS	2023 TZS
3. Other income		
Interest received	<u>363,955,268</u>	<u>385,799,797</u>
4. Finance cost		
Interest on loan and overdraft	2,809,665,899	2,368,354,612
Foreign exchange loss	<u>2,004,835,361</u>	<u>1,324,051,990</u>
	<u>4,814,501,260</u>	<u>3,692,406,602</u>
5. Profit / (loss) before tax		
The following items have been charged in arriving at operating profit:		
Accountancy fees	7,500,000	7,000,000
Depreciation	4,302,652,748	3,329,510,694
Directors' fees	548,682,311	-
Employment cost	5,039,703,416	4,534,128,914
6. Income tax expense / credit		
Current year's tax at 30%	-	-
Deferred tax (Note 14)	<u>(1,539,999,631)</u>	<u>414,610,936</u>
	<u>(1,539,999,631)</u>	<u>414,610,936</u>

The Box Factory Limited

Notes to the financial statements
for the year ended 31 December 2024

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		32,242,913,366		633,059,768		690,632,116	183,989,294		272,230,379		1,233,086,790		43,786,439,249	
Additions	-		-		8,803,232,990		123,301,520		-	-		28,633,808		53,614,915		9,008,783,233	
Disposal	-		-		-		-		(26,173,511)	-		-		-		(26,173,511)	
At the end of the year	1,466,719,914		7,063,807,622		41,046,146,356		756,361,288		664,458,605	183,989,294		300,864,187		1,286,701,705		52,769,048,971	
Depreciation																	
At the start 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	
Disposal	-		-		-		-		(26,172,511)	-		-		-		(26,172,511)	
Charge for the year	20,894,824		106,981,553		3,836,437,386		83,838,043		144,793,218	33,640,763		30,630,043		45,436,919		4,302,652,748	
At the end of the year	334,317,185		213,963,106		13,425,295,635		450,052,222		483,461,083	130,315,729		99,199,938		1,018,308,904		16,154,913,801	
Net book value																	
As at 31 December 2024	1,132,402,729		6,849,844,516		27,620,850,721		306,309,066		180,997,522	53,673,565		201,664,249		268,392,801		36,614,135,170	
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		31,908,005,684	

Practitioners' compilation report on page 6

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2024

	2024 TZS	2023 TZS
8. Inventories		
Finished goods	1,525,548,357	714,535,820
Raw material	12,630,393,063	7,295,910,610
Work in progress	282,326,530	189,425,950
Spares	19,399,134	16,384,312
Stationery	7,762,244	7,102,788
	<u>14,465,429,328</u>	<u>8,223,359,480</u>
9. Trade and other receivables		
Trade	10,468,791,711	8,749,350,923
Due from related party	5,904,776,168	6,777,216,427
Deposits and prepayments	94,786,863	75,677,065
Staff loan and advance	143,068,012	130,022,175
VAT credit	146,739,386	29,159,834
Others	1,024,989,366	2,427,791,530
	<u>17,783,151,505</u>	<u>18,189,217,954</u>
10. Cash and cash equivalent		
Cash balance	22,825,920	28,711,006
Bank balance	744,232,396	412,559,917
	<u>767,058,316</u>	<u>441,270,924</u>
Bank overdraft	(4,755,983,450)	(5,063,606,831)
	<u>(3,988,925,134)</u>	<u>(4,622,335,907)</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 2024

	2024 TZS	2023 TZS
13. Borrowings		
The borrowings are made up as follows:		
Current		
Bank overdraft	<u>4,755,983,450</u>	<u>5,063,606,831</u>
Non-current		
Borrowings	<u>20,409,977,029</u>	<u>20,050,418,787</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 1,302,083,333 as at 31 December 2024.
- (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 3,211,666,667 as at 31 December 2024.
- (v) Term loan 3 facility of US\$ 5,450,000 as per letter dated 13 December 2023 with the outstanding balance of TZS 13,940,970,801 as at 31 December 2024.

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 2024

	2024 TZS	2023 TZS
14. Deferred tax		
As at 1 January	2,309,172,611	1,890,882,318
Prior years adjustment	119,252,442	3,679,357
Credit / (charge) for the year	(1,539,999,631)	414,610,936
As at 31 December	<u>888,425,422</u>	<u>2,309,172,611</u>
Deferred tax asset is made as follows:		
Adjusted tax loss	(5,545,649,016)	(1,788,167,565)
Accelerated capital allowance	6,434,074,437	4,097,340,176
	<u>888,425,422</u>	<u>2,309,172,611</u>
15. Trade and other payables		
Trade	19,670,298,768	8,817,400,006
Refundable deposit	9,677,500,000	4,642,500,000
Directors' current account	1,151,055,768	921,250,768
Others	220,401,478	93,282,452
Accruals and provisions	407,455,871	290,926,479
	<u>31,126,711,885</u>	<u>14,765,359,705</u>
16. Taxation		
As at 1 January	31,046,038	9,288,479
Prior year's corporate tax adjustment	-	190,291,353
Current year	-	-
	<u>31,046,038</u>	<u>199,579,831</u>
Less: Provisional tax paid	(11,250,000)	(6,750,000)
Withholding tax deducted by customers	(8,365,927)	(7,136,219)
Withholding tax deducted on interest income	(36,395,527)	(38,579,980)
Prior year tax paid	(83,512,237)	(116,067,594)
	<u>(108,477,653)</u>	<u>31,046,038</u>
The breakdown of the above balance is as per below:		
Credit from the previous year	(52,466,199)	-
(Credit) / payable for the current year	(56,011,454)	(52,466,199)
Balance payable relating to previous years as per assessments received requested installments	-	83,512,237
	<u>(108,477,653)</u>	<u>31,046,038</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2024

	2024 TZS	2023 TZS
17. Reconciliation of (loss) / profit before tax to cash generated from / (used in) operations:		
(Loss) / profit before tax	(5,242,913,658)	1,270,854,899
Adjustment for:		
Depreciation	4,302,652,748	3,329,510,694
Loss on disposal of assets	(10,168,492)	456,115,448
Adjustment in plant and machinery		724,353,000
Changes in working capital		
Increase in inventories	(6,242,069,848)	(212,943,730)
Increase in trade and other receivables	406,066,449	(1,902,618,123)
Increase in trade and other payables	16,361,352,180	(14,095,241,600)
Cash surplus from / (deficit) operations	<u>9,574,919,378</u>	<u>(10,429,969,413)</u>

18. Contingent liabilities

The company had no contingent liabilities, as at 31 December 2024.

The Box Factory Limited

Schedule to the financial statements for the year ended 31 December 2024

	2024 TZS	2023 TZS
A Selling and distribution expenses		
Advertisement and sales promotion	-	3,730,000
Carriage outwards	136,728,500	48,486,720
Discount allowed	36,491,920	-
Salaries and wages	15,581,815	44,798,335
NSSF contribution	1,662,631	4,459,507
Skills and development levy	581,925	1,696,892
Vehicle running and repairs	452,732,919	329,113,422
Workers compensation fund	83,130	222,972
	<u>643,862,841</u>	<u>432,507,848</u>
B Administrative expenses		
Accountancy fees	7,500,000	7,000,000
Bank charges	159,530,389	256,030,523
Directors' fees	548,682,311	-
Donation	2,600,000	4,200,000
Electricity and water	15,434,335	14,182,361
Employment costs	B.1 1,212,488,483	783,655,160
Insurance	176,126,366	139,522,232
Licences	213,733,878	173,771,085
Office and general expenses	212,285,752	196,737,967
Postage, telephone, fax and internet	81,100,149	49,742,829
Printing and stationery	B.2 43,699,392	39,986,830
Rent	562,340,000	368,471,100
Repairs and maintenance	B.3 308,881,959	269,736,450
Medical	6,996,392	4,750,528
Security	-	22,770,000
Staff training	55,021,000	44,186,600
Transport and travelling	346,945,331	305,059,371
Vehicle running expenses	231,749,690	204,263,660
	<u>4,185,115,428</u>	<u>2,884,066,697</u>

The Box Factory Limited

**Schedule to the financial statements
for the year ended 31 December 2024**

	2024 TZS	2023 TZS	
B.1 Employment costs			
Salaries and wages	1,050,440,891	687,523,318	
Skills and development levy	54,913,564	25,342,928	
NSSF contribution	102,032,656	67,417,991	
Workers compensation fund	5,101,373	3,370,922	
	<u>1,212,488,483</u>	<u>783,655,160</u>	
B.2 Printing and stationery			
Inventories at 1 January	7,102,788	3,841,973	
Purchases	44,358,848	43,247,645	
	<u>51,461,636</u>	<u>47,089,618</u>	
Less: Closing inventory	(7,762,244)	(7,102,788)	
	<u>43,699,392</u>	<u>39,986,830</u>	
B.3 Repairs and maintenance			
Repairs and maintenance - office and general	89,969,191	76,516,170	
Repairs and maintenance - vehicle	203,586,326	183,063,225	
Repairs and maintenance - building	15,326,443	10,157,056	
	<u>308,881,959</u>	<u>269,736,450</u>	
B.4 Repairs and maintenance - machinery (spares)			
Inventories at 1 January	16,384,312	7,460,429	
Purchases	1,087,380,879	924,768,449	
	<u>1,103,765,190</u>	<u>932,228,877</u>	
Less: Closing inventory	(19,399,134)	(16,384,312)	
	<u>1,084,366,056</u>	<u>915,844,565</u>	
C Gain on disposal of assets			
Particulars	NBV as at 1 Jan 2024	Proceeds	Gain on disposal
Truck - T434 BCQ	<u>1,000</u>	<u>10,169,492</u>	<u>10,168,492</u>