

The Box Factory Limited

Annual report and financial statements for the year ended 31 December 2022

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The Box Factory Limited

Company information for the year ended 31 December 2022

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

Registered office Plot Nos. 30 and 35, Block 'A'
Makuburi Industrial Area
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 2022

The directors present their report and financial statements for the year ended 31 December 2022.

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>2022</u>		<u>2021</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 2022**

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: 26/6/2023

The Box Factory Limited

Statement of directors' responsibilities for the year ended 31 December 2022

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 2022 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 Fazeehussein Kermali
Director



Sheni Mohamedraza Bandali
Director

Date: 26/12/2023


The Box Factory Limited

Declaration of independent accountant for the year ended 31 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, 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, Shadrach L. Msekali being the independent accountant hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 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 properly maintained financial records.

Signature: 
NBAA No.: ACCA 581
Date: 27-06-2023



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 2022**

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 2022, 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 : 27.06.2023



The Box Factory Limited

Statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 TZS	2021 TZS
Sales		33,578,064,346	26,276,159,324
Cost	2	<u>(25,817,040,659)</u>	<u>(21,473,650,677)</u>
Gross profit		7,761,023,687	4,802,508,647
Other income	3	271,746,657	161,972,095
Selling and distribution expenses		(146,546,835)	(180,403,650)
Administrative expenses		<u>(2,141,015,677)</u>	<u>(2,643,553,279)</u>
Operating profit before depreciation		5,745,207,832	2,140,523,813
Depreciation		(1,458,034,428)	(1,285,539,853)
Finance cost	4	<u>(1,245,370,726)</u>	<u>(384,231,178)</u>
Profit before tax	5	3,041,802,678	470,752,782
Income tax expense	6	<u>(831,376,491)</u>	<u>(142,725,835)</u>
Profit for the year		<u><u>2,210,426,187</u></u>	<u><u>328,026,947</u></u>

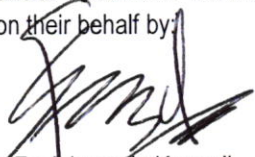
The accounting policies and notes on pages 11 to 20 form part of these financial statements.
Practitioners' compilation report on page 6

The Box Factory Limited

Statement of financial position as at 31 December 2022

	Notes	2022 TZS	2021 Re stated TZS
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>33,855,985,723</u>	<u>14,984,302,713</u>
Current assets			
Inventories	8	8,010,415,750	798,804,623
Trade and other receivables	9	16,286,599,831	9,324,398,462
Cash and bank balances	10	<u>876,079,336</u>	<u>125,840,878</u>
		<u>25,173,094,917</u>	<u>10,249,043,963</u>
Total assets		<u>59,029,080,639</u>	<u>25,233,346,675</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,875,000,000	3,100,000,000
Revaluation reserve		7,063,807,622	-
Retained earnings		<u>4,997,603,461</u>	<u>2,568,026,700</u>
Total equity		<u>15,936,411,083</u>	<u>5,668,026,700</u>
Non - current liabilities			
Borrowings	13	7,228,564,000	3,023,076,000
Deferred tax	14	<u>1,890,882,318</u>	<u>903,816,604</u>
		<u>9,119,446,318</u>	<u>3,926,892,604</u>
Current liabilities			
Borrowings	13	5,103,333,455	1,538,644,034
Trade and other payables	15	28,860,601,305	13,982,329,980
Taxation	16	<u>9,288,479</u>	<u>117,453,357</u>
		<u>33,973,223,238</u>	<u>15,638,427,371</u>
Total liabilities		<u>43,092,669,556</u>	<u>19,565,319,975</u>
Total equity and liabilities		<u>59,029,080,639</u>	<u>25,233,346,675</u>

The financial statements were approved by the board of directors on.....26/6/2023..... and were signed on their behalf by:


Shabbir Fazlhussein 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 2022

	Share capital TZS	Revaluation reserve TZS	Retained earnings TZS	Total TZS
Balance at 1 January 2021	3,100,000,000	-	2,400,223,107	5,500,223,107
Prior year adjustment for VAT paid	-	-	(17,434,091)	(17,434,091)
SDL paid as per assessment of 2020	-	-	(15,577,731)	(15,577,731)
Prior years VAT payable	-	-	(11,217,616)	(11,217,616)
Prior years corporate tax adjustment	-	-	(115,993,916)	(115,993,916)
Profit for the year	-	-	328,026,947	328,026,947
Balance at 31 December 2021	3,100,000,000	-	2,568,026,700	5,668,026,700
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 revers	-	-	(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 assessm	-	-	(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

The Box Factory Limited

Statement of cash flow
for the year ended 31 December 2022

	Note	2022 TZS	2021 <i>Re stated</i> TZS
Operating activities			
Cash surplus from operations	17	5,204,295,934	6,625,919,300
Provisional tax paid		(6,750,000)	(133,532,913)
Withholding tax on sale of goods		(33,276,320)	(20,664,297)
Prior year tax paid		(212,262,839)	(78,696,980)
Net cash generated from operating activities		4,952,006,775	6,393,025,111
Investment activities			
Purchase of property, plant and equipment		(12,746,945,738)	(9,546,114,558)
Net cash used in investing activities		(12,746,945,738)	(9,546,114,558)
Financing activities			
Increase in share capital		775,000,000	-
Increase in non- current borrowings		4,205,488,000	1,595,913,814
Net cash (use in) / generated from financing activities		4,980,488,000	1,595,913,814
Net decrease in cash and cash equivalents		(2,814,450,963)	(1,557,175,633)
Cash and bank balance at the beginning of the year		(1,412,803,156)	144,372,476
Cash and cash equivalents at the end of the year	10	(4,227,254,119)	(1,412,803,156)

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 2022

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 2022

(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 2022

(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 2022

	2022	2021
	TZS	Re stated TZS
2. Cost		
Inventory of finished goods at 1 January	31,836,468	78,534,850
Production cost	25,989,577,517	21,426,952,295
	<u>26,021,413,985</u>	<u>21,505,487,145</u>
Inventory of finished goods at 31 December	(204,373,326)	(31,836,468)
	<u>25,817,040,659</u>	<u>21,473,650,677</u>
2.1 Production cost		
<u>Raw material</u>		
Inventory at 1 January	740,965,540	450,124,320
Purchases	28,359,058,193	18,437,517,976
Direct expenses	1,361,962,499	1,106,880,281
	<u>30,461,986,232</u>	<u>19,994,522,578</u>
Inventory at 31 December	(7,778,171,522)	(740,965,540)
	<u>22,683,814,710</u>	<u>19,253,557,038</u>
<u>Labour</u>		
Salaries and wages	1,898,444,718	1,054,954,511
Loading expenses	16,580,000	14,130,000
NSSF contribution	189,845,274	105,696,739
Skills and development levy	75,967,791	42,278,680
Workers compensation fund	10,339,399	8,129,325
	<u>2,191,177,182</u>	<u>1,225,189,256</u>
<u>Overhead</u>		
Power	270,396,055	236,516,848
Forklift running expenses	43,363,197	25,194,956
Machinery maintenance	417,020,455	491,090,607
Factory building maintenance	115,735,765	163,720,854
Factory and warehouse rent	270,325,845	33,554,304
	<u>1,116,841,317</u>	<u>950,077,569</u>
<u>Work in progress</u>		
Inventory at 1 January	14,312,808	12,441,240
Inventory at 31 December	(16,568,500)	(14,312,808)
	<u>(2,255,692)</u>	<u>(1,871,568)</u>
Cost of goods produced	<u>25,989,577,517</u>	<u>21,426,952,295</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2022

	2022 TZS	2021 TZS
3. Other income		
Interest received	<u>271,746,657</u>	<u>161,972,095</u>
4. Finance cost		
Interest on loan and overdraft	1,021,413,064	299,847,196
Foreign exchange loss	<u>223,957,662</u>	<u>84,383,982</u>
	<u>1,245,370,726</u>	<u>384,231,178</u>
5. Profit / (loss) before tax		
The following items have been charged in arriving at operating profit:		
Accountancy fees	6,000,000	5,500,000
Depreciation	1,458,034,428	1,285,539,853
Directors' fees and remuneration	400,000,000	800,000,000
Employment cost	2,772,764,758	2,250,296,166
6. Income tax expense / credit		
Current year's tax at 30%	-	160,471,725
Deferred tax (Note 14)	<u>831,376,491</u>	<u>(17,745,890)</u>
	<u>831,376,491</u>	<u>142,725,835</u>

The Box Factory Limited

Notes to the financial statements
for the year ended 31 December 2022

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 TZS	Light duty TZS	TZS	TZS	TZS
Cost									
At the start of the year	1,466,719,914	-	21,177,563,061	412,882,822	340,097,693	84,426,243	67,349,604	1,037,310,010	24,586,349,347
Regrouping	-	-	(50,076,122)	85,656,946	(35,580,824)	-	-	-	-
Revaluation	-	7,063,807,622	-	-	-	-	-	-	7,063,807,622
Additions	-	-	12,516,091,239	-	40,000,000	86,872,881	32,794,161	71,187,457	12,746,945,738
At the end 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
Depreciation									
At start of the year	790,596,790	-	7,285,999,330	161,924,777	340,089,693	49,497,927	56,018,942	917,919,174	9,602,046,633
Depreciation on land reversed	(518,964,077)	-	-	-	-	-	-	-	(518,964,077)
Regrouping	-	-	(50,075,122)	85,654,946	(35,579,824)	-	-	-	-
Charge for the year	20,894,824	-	1,343,354,076	51,610,353	2,500,000	15,294,610	2,614,322	21,766,243	1,458,034,428
At end 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
Net book value									
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	33,855,985,723
As at 31 December 2021	676,123,124	-	13,891,563,731	250,958,045	8,000	34,928,316	11,330,662	119,390,836	14,984,302,713

Practitioners' compilation report on page 6

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2022

	2022 TZS	2021 TZS
8. Inventories		
Finished goods	204,373,326	31,836,468
Raw material	7,778,171,522	740,965,540
Work in progress	16,568,500	14,312,808
Spares	7,460,429	8,785,532
Stationery	3,841,973	2,904,276
	<u>8,010,415,750</u>	<u>798,804,623</u>
9. Trade and other receivables		
Trade	8,326,752,057	4,995,129,203
Due from related party	6,429,996,610	2,903,829,828
Deposits and prepayments	40,948,228	31,681,615
Staff loan and advance	55,437,691	45,927,500
VAT credit	808,028,806	-
Others	625,436,440	1,347,830,316
	<u>16,286,599,831</u>	<u>9,324,398,462</u>
10. Cash and cash equivalent		
Cash balance	24,697,827	19,500,490
Bank balance	851,381,508	106,340,388
	<u>876,079,336</u>	<u>125,840,878</u>
Bank overdraft	(5,103,333,455)	(1,538,644,034)
	<u>(4,227,254,119)</u>	<u>(1,412,803,156)</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		
3,100,000 ordinary shares of TZS 1,000/- each	3,100,000,000	3,100,000,000
775,000 additional ordinary shares of TZS 1,000/- each	775,000,000	-
	<u>3,875,000,000</u>	<u>3,100,000,000</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2022

	2022 TZS	2021 TZS
13. Borrowings		
The borrowings are made up as follows:		
Current		
Bank overdraft	<u>5,103,333,455</u>	<u>1,538,644,034</u>
Non-current		
Borrowings	<u>7,228,564,000</u>	<u>3,023,076,000</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 enhanced from TZS 2,575,000,000 on 11 May 2022.
- (ii) Letter of credit cum post loan facility of USD 1,250,000 renewed on 11 May 2022.
- (iii) Term loan 1 facility of TZS 2,500,000,000 as per offer letter dated 1 July 2021.
- (iv) Term loan 2 facility of TZS 4,700,000,000 as per offer letter dated 11 May 2022.

The bank facilities are secured by:

- (i) Existing legal mortgage over land and building on Plot no. 30 & 35, located at Makuburi Industrial Area, Pugu Road Dar es Salaam with CT no. 1860701/1 and 1860701/143 and registered in the name of The Box Factory Limited. (Charge to be varied to secure the sum of TZS
- (ii) 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 33,000,000,000).
- (iii) Existing legal mortgage over land on Plot no. 36, Block A located at Makuburi Industrial Area, Pugu Road Dar es Salaam with CT no. 186070/144 registered in the of The Box Limited.
- (iv) 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 33,000,000,000).
- (v) Existing Corporate of Majestic Holdings Limited (fresh guarantee to be obtained)
- (vi) 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 2022

	2022	2021
	TZS	Re stated TZS
14. Deferred tax		
As at 1 January	903,816,604	921,562,494
Prior years adjustment (reversal of depr on land)	155,689,223	-
Credit / (charge) for the year	831,376,491	(17,745,890)
As at 31 December	<u>1,890,882,318</u>	<u>903,816,604</u>
Deferred tax asset is made as follows:		
Adjusted tax loss	(3,679,357)	-
Accelerated capital allowance	1,894,561,675	903,816,604
	<u>1,890,882,318</u>	<u>903,816,604</u>
15. Trade and other payables		
Trade	27,607,142,632	12,117,712,215
Directors' current account	921,250,768	1,371,250,768
VAT payable	-	124,959,798
Others	105,587,796	94,043,719
Accruals and provisions	226,620,109	274,363,480
	<u>28,860,601,305</u>	<u>13,982,329,980</u>
16. Taxation		
As at 1 January	117,453,357	29,652,468
Prior year's corporate tax adjustment	78,254,825	115,993,916
Current year	-	160,471,725
	<u>195,708,182</u>	<u>306,118,108</u>
Less: Provisional tax paid	(6,750,000)	(133,532,913)
Withholding tax deducted by customers	(33,276,320)	(20,664,297)
Prior year tax paid	(146,393,384)	(34,467,542)
	<u>9,288,479</u>	<u>117,453,357</u>
The breakdown of the above balance is as per below:		
(Credit) / payable for the current year	(40,026,320)	6,274,515
Balance payable relating to previous years as per assessments received requested installments	49,314,798	111,178,842
	<u>9,288,479</u>	<u>117,453,357</u>

The Box Factory Limited

Notes to the financial statements for the year ended 31 December 2022

	2022	2021
	TZS	Re stated TZS
17. Reconciliation of profit before tax to cash generated from operations:		
Profit before tax	3,041,802,678	470,752,782
Adjustment for:		
Depreciation	1,458,034,428	1,285,539,853
Changes in working capital		
Increase in inventories	(7,211,611,127)	(238,371,923)
Increase in trade and other receivables	(6,962,201,369)	(1,522,226,393)
Increase in trade and other payables	14,878,271,325	6,630,224,982
Cash surplus from operations	<u>5,204,295,934</u>	<u>6,625,919,300</u>

18. Contingent liabilities

The company had no contingent liabilities, as at 31 December 2022.

The Box Factory Limited

Schedule to the financial statements for the year ended 31 December 2022

	2022 TZS	2021 TZS
A Selling and distribution expenses		
Advertisement and sales promotion	910,000	-
Carriage outwards	270,339	9,932,203
Discount allowed	168,504	1,009,155
Salaries and wages	38,502,492	91,907,725
NSSF contribution	3,850,300	9,190,924
Skills and development levy	1,540,102	3,462,267
Vehicle running and repairs	101,088,443	63,923,279
Workers compensation fund	216,655	978,097
	<u>146,546,835</u>	<u>180,403,650</u>
B Administrative expenses		
Accountancy fees	6,000,000	5,500,000
Bank charges	121,300,047	88,264,837
Directors' fees	400,000,000	800,000,000
Electricity and water	14,231,371	12,448,255
Employment costs	B.1 537,478,027	919,567,897
Insurance	74,319,016	60,461,268
Licences	173,203,270	142,093,072
Office and general expenses	134,681,806	144,579,066
Postage, telephone, fax and internet	20,478,504	15,969,598
Printing and stationery	B.2 21,629,297	16,350,308
Rent	146,641,728	96,828,600
Repairs and maintenance	B.3 172,490,081	82,766,619
Medical	8,786,990	11,131,720
Security	34,565,000	28,048,600
Staff training	34,775,400	19,194,500
Transport and travelling	188,591,818	183,061,426
Vehicle running expenses	51,843,323	17,287,513
	<u>2,141,015,677</u>	<u>2,643,553,279</u>

The Box Factory Limited

Schedule to the financial statements for the year ended 31 December 2022

	2022 TZS	2021 TZS
B.1 Employment costs		
Salaries and wages	455,240,835	773,535,114
Skills and development levy	34,209,633	62,861,222
NSSF contribution	45,524,084	77,153,120
Workers compensation fund	2,503,475	6,018,441
	<u>537,478,027</u>	<u>919,567,897</u>
B.2 Printing and stationery		
Inventories at 1 January	2,904,276	3,753,842
Purchases	22,566,994	15,500,742
	<u>25,471,270</u>	<u>19,254,584</u>
Less: Closing inventory	(3,841,973)	(2,904,276)
	<u>21,629,297</u>	<u>16,350,308</u>
B.3 Repairs and maintenance		
Repairs and maintenance - office and general	90,311,319	45,794,588
Repairs and maintenance - vehicle	76,087,406	28,355,144
Repairs and maintenance - building	6,091,356	8,616,887
	<u>172,490,081</u>	<u>82,766,619</u>
B.4 Repairs and maintenance - machinery (spares)		
Inventories at 1 January	8,785,532	15,578,448
Purchases	415,695,353	484,297,691
	<u>424,480,884</u>	<u>499,876,139</u>
Less: Closing inventory	(7,460,429)	(8,785,532)
	<u>417,020,455</u>	<u>491,090,607</u>