

MARIAM HAULIERS CO. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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Mariam Hauliers Co. Limited
Company information
For the year ended 31 December 2023

	Name	Nationality
Board of directors	Mr. Salah Ahmed Ms. Shaffigha Isahaagi	Tanzanian Tanzanian
Company secretary	Mr. Salah Ahmed Plot No. 99 Haidaru Magomeni Makaburini Street Dar es Salaam	
Registered office	Plot No. 99 Haidaru Magomeni Makaburini Street Dar es Salaam	
Independent auditor	HKAS Associates Certified Public Accountants P.O. Box 31705 Dar es Salaam Tanzania	
Principal bankers	Diamond Trust Bank (T) Limited Dar es Salaam Tanzania	

Mariam Hauliers Co. Limited
Report of those charged with governance
For the year ended 31 December 2023

The directors submit their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the company.

Incorporation

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzanian Companies Act, 2002. The address of the registered office is set out on page 1.

Principal activities

The principal activity of the company is provision of cargo transport services.

Results and dividends

The net profit for the year of TZS 75.4 million (2022: Profit of TZS 67.7 million) has been added to retained earnings. The directors do not recommend the declaration of a dividend for the year.

Capital structure and cash flows

The capital structure of the company is outlined in Note 7.

Borrowings/liquidity

The company's borrowings are analysed on Note 8.

Directorate

The directors who held office during the year and the date of this report are set out on page 1.

Auditor

During the year, HKAS Associates was re-appointed as the company's auditor and has expressed its willingness to continue in office in accordance with the Tanzanian Companies Act, 2002.

By order of the board



.....
Mr. Salah Ahmed
Director

Dar es Salaam

Date:

Mariam Hauliers Co. Limited
Statement of directors' responsibilities
For the year ended 31 December 2023

The Tanzanian Companies Act, 2002 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that: (a) show and explain the transactions of the Company; (b) disclose, with reasonable accuracy, the financial position of the Company; and (c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and in the manner required by the Tanzanian Companies Act, 2002. They also accept responsibility for:

- i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) selecting suitable accounting policies and applying them consistently; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 29 JUNE 2024 and signed on its behalf by:



.....
Mr. Salah Ahmed
Director

Mariam Hauliers Co. Limited
Declaration of the Head of Finance
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 the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

As stated above, it is the duty the Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the company that show a true and fair view of the company's position and performance in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the directors as disclosed in the Statement of director's responsibility on page 3.

I _____ on behalf of the Head of Finance of Mariam Hauliers Co. Limited who supervised preparation of these financial statements hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 have been prepared in compliance with International Financial Reporting Standards for Small and Medium-sized Entities and the Tanzanian Companies Act, 2002 based on the information provided by the directors.

Signed by:

Position:

NBAA Membership No.:

Date:

Report on the financial statements

We have compiled the accompanying financial statements of Mariam Hauliers Co. Limited on pages 6 to 14 of this report based on information provided by the directors. These financial statements comprise the statement of financial position of the company as at 31 December 2023, their statement of profit and loss and of cashflows for the year then ended and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standards on Related Services 4410 (revised), compilation engagements.

We have applied our expertise in accounting and financial reporting to assist you in the operation 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 the accuracy and completeness of the information used to compile them are the 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.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our compilation.

FOR: HKAS ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



Signed by: **Abdallah Sube**
ACPA:



Mariam Hauliers Co. Limited
Financial statements
For the year ended 31 December 2023

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 TZS'000	2022 TZS'000
Revenue	4	10,989,879	7,991,247
Cost of sales		<u>(8,431,814)</u>	<u>(6,135,421)</u>
Gross profit		2,558,065	1,855,826
Disposal of vehicles		251,525	-
Administrative expenses		(663,659)	(408,651)
Establishment expenses		(24,731)	(18,824)
Finance costs	5	(362,270)	(89,370)
Depreciation and amortization		<u>(1,650,876)</u>	<u>(1,243,569)</u>
Profit before tax		108,055	95,412
Tax expense	6	<u>(32,583)</u>	<u>(27,744)</u>
Profit for the year		<u><u>75,471</u></u>	<u><u>67,668</u></u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 TZS'000	2022 TZS'000
EQUITY			
Share capital	7	75,000	75,000
Retained earnings		<u>89,870</u>	<u>57,977</u>
Total equity		<u>164,870</u>	<u>132,977</u>
Non-current liabilities			
Long term borrowings	8	<u>3,183,787</u>	<u>1,873,463</u>
		<u>3,348,657</u>	<u>2,006,440</u>
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	9	<u>6,874,734</u>	<u>4,094,160</u>
		<u>6,874,734</u>	<u>4,094,160</u>
Current assets			
Inventories	10	64,161	64,829
Trade and other receivables	11	186,540	117,465
Cash at bank and in hand		<u>18,486</u>	<u>138,393</u>
		<u>269,187</u>	<u>320,687</u>
Current liabilities			
Trade and other payables	12	3,553,060	2,170,313
Current tax payable		2,583	744
Short term borrowings	8	<u>239,621</u>	<u>237,350</u>
		<u>3,795,265</u>	<u>2,408,407</u>
Net current liabilities		<u>(3,526,077)</u>	<u>(2,087,720)</u>
		<u>3,348,657</u>	<u>2,006,440</u>

The financial statements on pages 6 to 14 were approved for issue by the board of directors on 29 JUNE 2024 and were signed on their behalf by:



.....
Mr. Salah Ahmed
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital TZS'000	Retained earnings TZS'000	Total TZS'000
At 1 January 2022	75,000	9,440	84,440
Profit for the year	-	67,668	67,668
Prior period taxes paid	-	(19,131)	(19,131)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>75,000</u>	<u>57,977</u>	<u>132,977</u>
At 1 January 2023	75,000	57,977	132,977
Profit for the year	-	75,471	75,471
Prior period taxes paid	-	(43,578)	(43,578)
	<hr/>	<hr/>	<hr/>
At 31 December 2023	<u>75,000</u>	<u>89,870</u>	<u>164,870</u>

Mariam Hauliers Co. Limited
Financial statements
For the year ended 31 December 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 TZS'000	2022 TZS'000
Cash flows from operating activities			
Profit for the year		108,055	95,412
Adjustments for:			
Depreciation of property, plant and equipment	9	1,650,876	1,243,569
Interest expense	5	362,270	89,370
Changes in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		(69,075)	(21,935)
(Increase)/decrease in inventories		668	(10,009)
Increase in trade payables		1,382,747	675,057
		<u>3,435,541</u>	<u>2,071,464</u>
<i>Cash generated from operations</i>		3,435,541	2,071,464
Interest paid		(362,270)	(89,370)
Income tax paid		(74,323)	(55,371)
		<u>2,998,948</u>	<u>1,926,723</u>
<i>Net cash generated from operating activities</i>		2,998,948	1,926,723
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(4,431,450)	(3,349,917)
		<u>(4,431,450)</u>	<u>(3,349,917)</u>
<i>Net cash used in investing activities</i>		(4,431,450)	(3,349,917)
Cash flows from financing activities			
Repayment of borrowings		(459,045)	(241,346)
Proceeds from borrowings		1,771,640	1,771,640
		<u>1,312,595</u>	<u>1,530,294</u>
<i>Net cash generated from financing activities</i>		1,312,595	1,530,294
Net decrease in cash and cash equivalents		(119,906)	107,101
Cash and cash equivalents at start of year		138,393	31,292
Cash and cash equivalents at end of year		<u>18,486</u>	<u>138,393</u>

NOTES

1. General information

Mariam Hauliers Limited (the Company) is domiciled in Tanzania where it is incorporated under the Tanzanian Companies Act, 2002 as a private company limited by shares. The address of its registered office and principal place of business is stated on page 1. The principal activities of the Company are as stated on page 2.

2. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. The financial statements are presented in Tanzania Shillings (TZS), rounded to the nearest thousand. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Revenue recognition

Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue from sale of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government of Tanzania.

Borrowing costs

All borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

Income tax

Tax expense represents the aggregate amount included in statement of comprehensive income for the period in respect of current tax.

Current tax is the amount of income tax payable or refundable in respect of the taxable profit or loss for the current and prior periods, determined in accordance with the Tanzanian Income Tax Act.

Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in statement of comprehensive income.

Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity.

Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of comprehensive income.

NOTES (CONTINUED)

2. Basis of preparation and summary of significant accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses using the reducing balance method.

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in statement of profit or loss.

Leases

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out (FIFO) method.

Impairment of non-financial assets

At each reporting date, property, plant and equipment is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive

Financial liabilities

Financial liabilities are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Employee benefits - post-employment benefit obligations

The Company and the employees also contribute to the National Social Security Fund (NSSF), a national defined contribution scheme. Contributions are determined by local statute and the Company's contributions are charged to statement of comprehensive income in the year to which they relate.

NOTES (CONTINUED)

3. Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

4. Revenue	2023 TZS'000	2022 TZS'000
Transport income	<u>10,989,879</u>	<u>7,991,247</u>
	<u>10,989,879</u>	<u>7,991,247</u>
5. Finance costs		
Interest on bank loan	<u>362,270</u>	<u>89,370</u>
	<u>362,270</u>	<u>89,370</u>
6. Tax expense		
Tax expense	<u>32,583</u>	<u>27,744</u>
7. Share capital	No. of ordinary shares issued	Issued and fully paid up capital TZS'000
At 31 December 2022 and 31 December 2023	<u>75,000</u>	<u>75,000</u>
8. Borrowings		
Non-current		
Bank loans	<u>3,183,787</u>	<u>1,873,463</u>
Current		
Bank overdraft	<u>239,621</u>	<u>237,350</u>
	<u>239,621</u>	<u>237,350</u>
Total borrowings	<u>3,423,408</u>	<u>2,110,813</u>

The company has obtained term loans from NBC and Diamond Trust Bank (T) Limited.

During the year, the company obtained overdraft facility from Diamond Trust Bank (T) Limited.

Marian Hauliers Co. Limited
Financial statements
For the year ended 31 December 2023

NOTES (CONTINUED)

9. Property, plant and equipment	Land and buildings TZS'000	Trucks TZS'000	Trailers TZS'000	Furniture and equipment TZS'000	Computer equipment TZS'000	Total TZS'000
Cost						
At start of year	515,290	4,768,889	1,660,613	48,574	7,429	7,000,796
Additions	1,596,500	1,915,430	919,520	-	-	4,431,450
At end of year	2,111,790	6,684,319	2,580,133	48,574	7,429	11,432,245
Accumulated depreciation and impairment						
At start of year	95,583	2,180,368	594,533	29,689	6,461	2,906,636
Annual depreciation	25,765	1,125,988	496,400	2,361	363	1,650,876
At end of year	121,348	3,306,356	1,090,933	32,050	6,824	4,557,512
Carrying amount						
At end of year	1,990,441	3,377,963	1,489,200	16,524	605	6,874,734

The following annual rates are used for the depreciation of property, plant and equipment:

Buildings	5 per cent
Trucks	25 per cent
Trailers	25 per cent
Furniture and equipment	12.5 per cent
Computer equipment	37.5 per cent

Mariam Hauliers Co. Limited
Financial statements
For the year ended 31 December 2023

NOTES (CONTINUED)

	2023 TZS'000	2022 TZS'000
10. Inventories		
Spares and tools	31,210	28,957
Tires and tubes	24,171	33,550
Other items	8,780	2,322
	<u>64,161</u>	<u>64,829</u>
11. Trade and other receivables		
Trade receivables	182,310	117,465
Other receivables	4,230	-
	<u>186,540</u>	<u>117,465</u>
12. Trade and other payables		
Trade payables	3,514,859	2,145,055
Accrued expenses	38,201	25,258
	<u>3,553,060</u>	<u>2,170,313</u>

Mariam Hauliers Co. Limited
Supplementary information
For the year ended 31 December 2023

	2023	2022
	TZS'000	TZS'000
1. DIRECT EXPENSES		
Border permit and road toll	1,339,200	817,100
Trip allowance	182,455	130,325
Tracking charges	85,162	65,509
Fire extinguishers	4,780	1,990
Fuel	5,062,746	3,868,830
Demurrage charges	3,631	3,234
Oil and lubricants	73,897	52,784
Insurance and road licenses	407,840	225,954
Loading and offloading charges	19,250	11,202
Freight and clearing charges	57,840	6,350
Spares and repairs	380,457	350,503
Tyres and tubes	325,690	337,271
Weighbridge expenses	8,123	3,280
Vehicle subleasing	480,743	261,089
	<u>8,431,814</u>	<u>6,135,421</u>
2. ADMINISTRATIVE EXPENSES		
Employment:		
Salaries and wages	378,900	237,950
National Social Security Fund	37,890	31,295
NHIF	11,367	9,281
Staff uniform	14,300	889
Skills and development levy	14,276	12,516
Workers Compensation Fund	1,895	1,705
Total employment costs	<u>458,627</u>	<u>293,636</u>
Other administration expenses:		
Directors remuneration	102,000	75,000
Postage and telephone	19,897	9,958
Printing and stationery	7,654	5,589
Repair and maintenance	22,870	10,258
Audit and accounting fees	2,000	2,000
Legal and professional fees	3,000	3,000
Bank charges and commissions	44,460	8,090
Land rent	3,151	1,120
Total other administration expenses	<u>205,032</u>	<u>115,015</u>
Total administrative expenses	<u>663,659</u>	<u>408,651</u>
3. ESTABLISHMENT EXPENSES		
Electricity and water charges	8,931	6,254
Rent	2,700	3,600
Business and operational licenses	3,210	2,370
Parking charges	9,890	6,600
	<u>24,731</u>	<u>18,824</u>

Client: Mariam Hauliers Co. Limited		
Year ended: 31 December 2023		
Subject: Tax computation		

TIN: 123-723-686

Period of financial statements: 12 months

	Ref.:	TZS '000	TZS '000
PROFIT BEFORE TAX AS PER FINANCIAL STATEMENTS			<u>108,055</u>
ADD: NON DEDUCTIBLE ITEMS			
Depreciation expense		<u>1,650,876</u>	
TOTAL NON DEDUCTIBLE ITEMS			<u>1,650,876</u>
LESS: DEDUCTIBLE ITEMS			
Wear and tear allowance - Note (iii)	N.01/1	<u>(1,650,319)</u>	
TOTAL DEDUCTIBLE ITEMS			<u>(1,650,319)</u>
TAXABLE PROFIT			108,612
CURRENT INCOME TAX @ 30%			<u><u>32,583</u></u>
Total paid			
Quarter 1		7,500	
Quarter 2		7,500	
Quarter 3		7,500	
Quarter 4		7,500	
		30,000	(30,000)
Total tax payable for the year			2,583

Client: Mariam Hauliers Co. Limited		
Year ended: 31 December 2023		
Subject: Tax computation		

(ii) WEAR AND TEAR SCHEDULE

	Class I 37.5% TZS '000	Class II 25% TZS '000	Class III 12.5% TZS '000	Total TZS '000
W. D. V. at 01 January 2023	968	3,652,373	18,885	3,672,226
Additions	-	2,834,950	-	2,834,950
Subtotal	968	6,487,323	18,885	6,507,176
Wear & tear allowance	(363)	(1,621,831)	(2,361)	(1,624,554)
Disposal	-	-	-	-
W.D.V at 31 December 2023	<u>605</u>	<u>4,865,492</u>	<u>16,524</u>	<u>4,882,622</u>
Additions to buildings - Class VI				
Cost	515,290			
Additions	<u>1,596,500</u>			
Total cost	2,111,790			
Wear and tear allowance 2020	(105,590)			
WDV as at 31 December 2020	383,937			
Wear and tear allowance - 2021	(25,765)			
WDV as at 31 December 2021	358,172			
Wear and tear allowance - 2022	(25,765)			
WDV as at 31 December 2022	332,408			
Wear and tear allowance - 2023	(25,765)			
WDV as at 31 December 2023	306,643			