

NAMOL LIMITED

P.O.BOX 372757

DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31TH DECEMBER, 2023

MKUKI CONSULTANTS

Certified Accountants and Auditors

(In Public Practice) PF 187

P.O.Box 1827, DAR ES SALAAM

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Directors' Responsibilities

As director of the company, it is our responsibility to prepare financial statements for each financial period that gives a true and fair view of the state of affair of the company as at the end of the financial period and of the profit or loss of the company for the period. We are responsible for keeping proper accounting records in line with the provisions of the companies Ordinance CAP 212, for taking reasonable steps to safeguard the assets of the company and to prevent to and detect fraud and other irregularities.

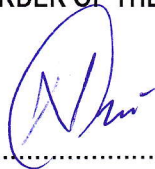
We confirm that relevant accounting policies have been used and applied consistently, further we confirm that reasonable prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31st December, 2023

We also confirm that the applicable accounting standards have been followed and the financial statements have been prepared on the going concern basis.

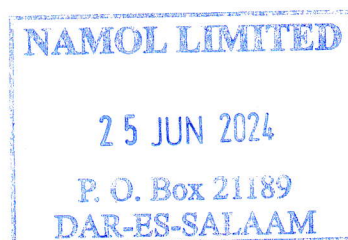
Auditors

In accordance with the provision of the Companies Ordinance and the company's Article of Association, a resolution to re-appoint **MKUKI CONSULTANT** as auditors will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Director



Report of the independent auditors to the Directors of **NAMOL LIMITED** on the financial statements.

We have audited the financial statements set out on the pages 6 to 9 which have been prepared on the basis of the accounting policies set out in Note 1.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for our opinion.

Management's Responsibility for the Financial Statements.

The directors are responsible for preparation of the financial statements, which give a true and fair view of the affairs of the company and its operation results. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Auditor's Responsibility

We conducted our audit in accordance with International Auditing Standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the accounts are free from material misstatements. An audit includes an examination of test basis, of evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as an evaluation the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

Report of the independent auditors to the Directors of **NAMOL LIMITED** on the financial statements.

We have audited the financial statements set out on the pages 6 to 9 which have been prepared on the basis of the accounting policies set out in Note 1.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for our opinion.

Management's Responsibility for the Financial Statements.

The directors are responsible for preparation of the financial statements, which give a true and fair view of the affairs of the company and its operation results. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Auditor's Responsibility

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An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as an evaluation the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the business's financial position at 31st December, 2023 and of its results and cash flows for the year ended in accordance with International Financial Reporting Standards and comply with the requirements of the Companies Ordinance (Cap 212).

Without qualifying our audit opinion, we draw attention to the business's system of internal controls. In common with many businesses of similar size and structure, the business's operations and the system of internal control is dependent upon the close involvement of the owners in the day to day running of the company affairs.

Where independent verification and confirmation of completeness and accuracy of the accounting records was available, we have been obtained assurances from our audit techniques and procedures that all the transactions and account balance have been properly valued and disclosed in the financial statements.

.....
MKUKI CONSULTATS

Certified Public Accountants

(In Public Practice) PF 187

P.O.Box 1827, Dar es Salaam

Date:

NAMOL LIMITED
P.O.BOX 21189, DAR ES SALAAM

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Description	Notes	2023	2022
		TZS	TZS
ASSETS			
Non-current assets			
Property, Plant and Equipment	9	5,987,891,972.37	4,024,618,289.78
		<u>5,987,891,972.37</u>	<u>4,024,618,289.78</u>
Current assets			
Trade and other receivables	6	852,897,614.47	1,894,565,897.47
Cash and Bank balance		979,605,673.62	268,882,055.53
Tax Recoverable & Vat Claimable	8	1,693,655,755.78	828,619,596.67
Total assets		<u>9,514,051,016.24</u>	<u>7,016,685,839.45</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		76,542,500.00	76,542,500.00
Retained earnings		(267,136,559.72)	(113,703,605.35)
Total Equity		<u>(190,594,059.72)</u>	<u>(37,161,105.35)</u>
Non-current Liability			
Trade Creditors	7	7,932,964,204.35	3,563,404,159.73
loan kcb	9	1,624,889,225.62	3,392,700,827.07
Tax payable		146,791,646.00	97,741,958.00
		<u>9,514,051,016.25</u>	<u>7,016,685,839.45</u>

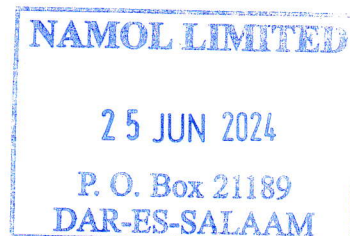
The Notes on pages 10 to 17 are an Integral part of these Financial Statements.

Director



DATE

25/06/2024



NAMOL LIMITED
P.O.BOX 21189, DAR ES SALAAM

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

Description	Note	2023	2022
		TZS	TZS
Revenue	2	10,584,756,000.00	6,628,644,309.76
Direct Costs	3	(7,580,523,371.03)	(4,631,179,788.89)
Gross Profit		3,004,232,628.97	1,997,464,520.87
Operating Expenses	4	(2,886,720,263.11)	(1,727,635,205.64)
Distribution Costs		-	-
Other Expenses		-	-
Operating profit/(Loss)		117,512,365.86	269,829,315.23
Finance Income		-	-
Finance Costs		(92,714,234.96)	(238,536,142.16)
Profit/(Loss) before Income tax		24,798,130.90	31,293,173.07
Income tax expenses	8	(7,439,439.27)	(9,387,951.92)
Net Profit/(Loss) for the year		17,358,691.63	21,905,221.15

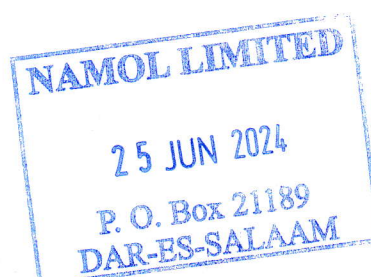
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Director



DATE

25/06/2024



NAMOL LIMITED
P.O.BOX 21189, DAR ES SALAAM

STATEMENTS OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital TZS	Retained Earning TZS	Total TZS
Balance as at 1 January 2022	76,542,500.00	(135,608,826.50)	(85,608,826.50)
Profit for the year	-	21,905,221.15	21,905,221.15
As at 31 December 2022	76,542,500.00	(113,703,605.35)	(37,161,105.35)

	Share Capital TZS	Retained Earning TZS	Total TZS
Balance as at 1 January 2023	76,542,500.00	(284,495,251.35)	(207,952,751.35)
Profit for the year	-	17,358,691.63	17,358,691.63
As at 31 December 2023	76,542,500.00	(267,136,559.72)	(190,594,059.72)

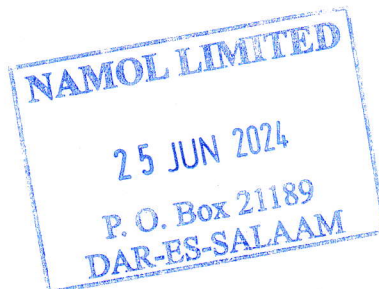
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Director



DATE

25/06/2024



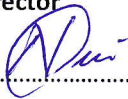
NAMOL LIMITED
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STATEMENT OF CASH FLOW AS AT 31 DECEMBER 2023

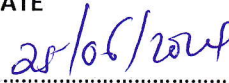
Description	2023 TZS	2022 TZS
Operating activities		
Profit/(Loss) before tax	24,798,130.90	31,293,173.07
Adjustment for:		
Depreciation	1,961,019,138.09	1,342,830,330.42
(Increase)/Decrease in Receivables	(118,843,258.53)	(1,656,686,056.75)
Increase/(Decrease) in Payables	4,574,854,029.77	1,301,664,275.92
loan repayment & facilities	(1,767,811,601.45)	(948,695,899.95)
Cash Generated from Operating Activities	4,674,016,438.78	70,405,822.71
Tax prior year	(24,000,000.00)	(59,744,794.24)
Income Tax paid	(15,000,000.00)	(18,000,000.00)
Net cash Generated from Operating Activities	4,635,016,438.78	(7,338,971.53)
Investing activities		
Addition of non-current Assets	(4,066,949,537.64)	(3,358,355,793.46)
Disposal of a non-current asset	142,656,716.95	150,850,000.00
Net cash Generated from Operating Activities	(3,924,292,820.69)	(3,207,505,793.46)
Financing activities		
Change in working Capital/Drawings	-	-
Loan	-	3,392,700,827.07
Net cash Generated from Operating Activities	-	3,392,700,827.07
Movement in cash and cash equivalent		
Cash and Cash equivalents as at 1 January	268,882,055.53	91,025,993.45
Net increase/(Decrease) in Cash and Cash equivalent	710,723,618.09	177,856,062.08
Cash and Cash equivalents as at 31 December 2023	979,605,673.62	268,882,055.53

The Notes on pages 10 to 17 are an Integral part of these Financial Statements.

Director



DATE





NOTES OF FINANCIAL STATEMENTS

NOTE – 01: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Preparation

The financial statements are prepared on a going concern basis in compliance with International Financial Reporting Standards (IFRS). The measurements basis used in the historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS) which is also the functional currency.

The preparation of financial statements is in conformity with International Financial Reporting Standards that requires the use of estimates and assumptions. It also requires the management to exercise its judgment in the process of applying the accounting policies adopted by the company. Although such estimates and assumptions are based on the directors' best knowledge of the information available, actual results may differ from those estimates. The judgments and estimates are reviewed at the end of each reporting period, and any revisions to such estimates are recognized in the year in which the revision is made.

b) Translation of Foreign Currencies

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the organization operates), which is Tanzania Shillings (TZS). Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the average rate.

Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognized on a net basis in the statement of income and expenditure account in the year in which they arise.

c) Revenue Recognition

Revenue represents the fair value of consideration received or receivable for the sale of services in the course of the company's activities. It is recognized when it is probable that future economic benefits will flow to the company and the amount of revenue can be

Measured reliably. It is stated net of Value Added Tax, rebates and trade discounts. Cash discounts are included as part of finance costs. Sale of services is recognized upon performance of the service to be provided.

d) Property, Plant and Equipment

All categories of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment. All other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized 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. Repairs and maintenance expenses are charged to the statement of income and expenditure account in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognized in other comprehensive income. All other decreases are charged to the profit and loss account. Annual, the difference between depreciation charge based on the revalue carrying amount of the asset charged to the statement of income and expenditure account and depreciation based on the asset's original cost is transferred from the revaluation surplus reserve to retained earnings.

Depreciation is calculated using the reducing method to write down the cost or the revalue amount of each asset to its residual value using the following annual rates:

Name of Asset	Depreciation %
Land and Building	5.00%
Office Equipment	25.00%
Furniture & Fittings	12.50%
Motor Vehicles	37.50%
Truck & Trailer	25.00%
Computers	37.50%

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operation profit. On disposal of revalue assets, amounts in the revaluation surplus reserve relating to that asset are transferred to retained earnings.

e) **Provision for Liabilities and Charges**

Provisions are recognized when the organization has a present legal or constrictive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

f) **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

g) **Bad and Doubtful Debts**

Specific provision is made for all known doubtful debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

h) **Comparative Figures**

Previous year's figures have been grouped wherever considered necessary to make them comparable with current year's figures.

NAMOL LIMITED
P.O.BOX 21189, DAR ES SALAAM
NOTES OF THE FINANCIAL STATEMENTS

NOTE		2023 TZS	2022 TZS
NOTE 2	TURNOVER		
	Transportation Income	10,584,756,000.00	6,628,644,309.76
	Other Income	-	-
	Total Income	10,584,756,000.00	6,628,644,309.76
NOTE 3	DIRECT COST		
	Fuel	5,845,985,080.00	3,279,781,349.06
	Driver periderm	690,600,000.00	549,053,146.10
	Motor vehicle spares& reappear	163,473,771.58	60,519,551.13
	Tyre and Tubes/Retreading	65,627,118.65	47,076,270.93
	Sumatra	23,865,000.00	19,520,000.00
	Boarder.Expenses	705,815,680.00	620,518,658.59
	Tracking Expenses	25,016,920.80	6,978,813.08
	C 28	60,139,800.00	47,732,000.00
	Total Direct Expenses	7,580,523,371.03	4,631,179,788.89
NOTE 4	OPERATING EXPENSES		
	Administrative Expenses		
	Business licence& Permits	300,000.00	200,000.00
	Comesa	65,790,000.00	59,360,000.00
	Audit & Accounting Fees	1,500,000.00	1,000,000.00
	Depreciations	1,961,019,138.09	1,342,830,330.42
	Drop Off charges	29,742,968.90	17,800,869.16
	Electricity & Water bill(Yard)	1,275,000.00	875,000.00
	Insurance Expenses	369,659,554.10	38,544,688.20
	Internet services(Flash net)	2,888,000.00	1,864,000.00
	NSSF contributions	14,820,000.00	14,820,000.00
	Office operation and other expenses	12,205,677.94	305,084.75
	Rent expenses	23,541,000.00	28,080,000.00
	Salary & wages	184,200,000.00	148,200,000.00
	Security expenses	14,900,000.00	11,000,000.00
	Skills& Development levy	6,817,500.00	5,928,000.00
	Telephone & Postage expenses	1,542,000.00	73,729.00
	Stationaries &Office expenses	12,920,084.75	874,965.94
	Wcf expenses	795,000.00	650,400.00
	Stamp Duty	288,000.00	280,800.00
	Brela	22,000.00	22,000.00
	legal charges	25,423.73	16,949.00
	TPA Charges	19,780,359.66	19,364,771.17
	Agency Fee	-	35,543,618.00
	Work shop expenses	-	-

	Shipping Line	39,300.00	-
	Cfs Charges	7,977,900.00	-
	Travelling expenses	33,898,305.08	-
	Yard Construction Expenses		
	Transport expenses	20,226,440.65	-
	Hardware expenses	34,809,322.09	-
	Construction expenses	29,237,288.12	-
	Lobours	12,500,000.00	-
	Directors remunerations		
	Shahdad Alhadad	12,000,000.00	-
	Hafidhi Mohamed Ally	12,000,000.00	-
	Total Administrative expenses	<u>2,886,720,263.11</u>	<u>1,727,635,205.64</u>
	Financing Expenses	-	-
	Bank Charges	3,694,944.34	5,401,360.12
	Loan Processing fees	-	222,956,554.05
	Interest On loan	89,019,290.62	10,178,227.99
	Total Finance expenses	<u>92,714,234.96</u>	<u>238,536,142.16</u>
	TOTAL OPERATING EXPENSES	<u>2,979,434,498.07</u>	<u>1,966,171,347.80</u>
NOTE 5	CASH AND CASH EQUIVALENTS:		
	Cash at Bank	979,605,673.62	264,969,917.54
	Cash in Hand	-	3,912,137.99
	Total	<u>979,605,673.62</u>	<u>268,882,055.53</u>
NOTE 6	TRADE RECEIVABLES:		
	Sundry Debtors	852,879,614.47	734,036,355.94
	Vat claimable amount	1,686,095,195.05	819,111,072.38
	Advance Payment on Trailer	-	1,160,529,541.53
	Total	<u>2,538,974,809.52</u>	<u>2,713,676,969.85</u>
NOTE 7	TRADE PAYABLES:		
	Trade Creditors	7,931,464,204.35	3,534,293,159.73
	Accruals Expenses	1,500,000.00	29,111,000.00
	loan kcb	1,624,889,225.62	2,232,171,285.54
	Tax payable	146,791,646.00	97,741,958.00
	Total	<u>9,704,645,075.97</u>	<u>5,893,317,403.27</u>
NOTE 8	TAXATION:		
	Profit/(Loss) before taxation	24,798,130.90	31,293,173.07
	Add: Depreciation	-	106,760.27
	Penalty/Donation		
		24,798,130.90	31,399,933.33
	Less: Wear and Tear Allowance	-	106,760.27
	Adjusted Taxable profit/Loss	24,798,130.90	31,293,173.07
	Tax Expenses for the year	7,439,439.27	9,387,951.92
	Balance b/d	-	(896,476.21)
	Tax paid During the year/Provision	(15,000,000.00)	(18,000,000.00)
	Tax payable /Carried Forward	(7,560,560.73)	(9,508,524.29)

NOTE 9 LONG TERM LOAN

Outstanding Loan- Principle	681,344,469.40	1,160,529,541.53
Outstanding Loan- Principle(kcb)	943,544,756.22	2,232,171,285.54
Outstanding Interest	-	-
Total	<u>1,624,889,225.62</u>	<u>3,392,700,827.07</u>

NAMOL LIMITED
P.O. BOX 21189, DAR ES SALAAM

NOTE NOTES OF THE FINANCIAL STATEMENTS

10 Property, plant and equipment

Discription	Truck	Trailer	Motor vehicle	Steel Wharehouse	Furniture&Fixtures	Computer	Total
Cost value	TZS	TZS	TZS	TZS	TZS		TZS
At start of the year	5,048,006,253.41	1,311,091,813.55	15,728,814.00		11,906,776.94	1,641,933.01	6,372,646,776.91
Addition	2,117,611,283.98	1,412,582,130.44	287,023,093.22	249,733,030.00	-	-	4,066,949,537.64
Disposal	(142,656,716.95)	-	-	-	-	-	(142,656,716.95)
At the end of the year	7,022,960,820.44	2,723,673,943.99	302,751,907.22	249,733,030.00	11,906,776.94	1,641,933.01	10,312,668,411.60
Depreciation	25.00%	25.00%	37.50%	0.00%	12.50%	37.50%	
At start of the year	1,777,252,728.08	574,470,083.56	5,898,305.25	-	4,672,185.01	1,463,999.24	1,560,840,598.12
Charge for the year	1,311,427,023.09	537,300,965.11	111,320,100.74	-	904,323.99	66,725.17	1,961,019,138.09
At end of the year	3,088,679,751.17	1,111,771,048.66	117,218,405.99	-	5,576,509.00	1,530,724.40	3,521,859,736.22
Net book value							
As at 31 Dec 2022	3,934,281,069.27	1,611,902,895.33	185,533,501.23	249,733,030.00	6,330,267.94	111,208.61	5,987,891,972.37
As at 31 Dec 2021	3,270,753,525.33	736,621,730.00	9,830,508.75	-	7,234,591.93	177,933.78	4,024,618,289.78

Director

[Signature]

Date

25/06/2024

NAMOL LIMITED
25 JUN 2024
P. O. Box 21189
DAR-ES-SALAAM