

CHITAN REAL ESTATE COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

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CHITAN REAL ESTATE COMPANY LIMITED

REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31ST DECEMBER 2023

The Directors present this report and the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of the company.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Chitan Real Estate Company Limited (the Company) is a company incorporated under the Tanzanian Companies Act 2002 dealing with transportation, real estate and supply of building materials. The company is limited by shares and is domiciled in The United Republic of Tanzania and has its registered office and principal place of business in Dar es Salaam.

2. CORPORATE GOVERNANCE

The Board of Directors is responsible for the governance of the company and is committed to ensure that its business and operations are conducted with integrity and compliance with the relevant laws and regulation governing power generation companies.

3. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that Chitan Real Estate Company Limited has adequate resource to continue in operational existence for the foreseeable future.

4. DIRECTORS

The company Directors is;

1. Sigfrid Valence Emmanuel
2. Valence Tumbo Massawe
3. Goodluck Valence Emmanuel

5. ACCOUNTANTS

The Company's Accountants, HH Martine & Co has expressed their willingness to continue in office in accordance with the Tanzanian Companies Act 2002.



Valence Tumbo Massawe

23/06/2024

CHITAN REAL ESTATE COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31ST DECEMBER 2023

The Tanzanian Companies Act 2002 requires Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs 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 maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. Directors are also responsible for safeguarding assets of the company

The Directors accept responsibility for the preparation and fair presentation of these financial statements, which are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates and judgments that are reasonable in the circumstances.

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 for the year ended 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzania Companies Act 2002.

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



Valence Tumbo Massawe

23/06/2024



INDEPENDENT PRACTITIONER'S COMPILATION REPORT TO THE MEMBERS OF CHITAN REAL ESTATE COMPANY LIMITED

Report on the financial statements

We have compiled the accompanying financial statements of Chitan Real Estate Company Limited based on information you have provided. These financial statements comprise the statement of financial position of Chitan Real Estate Company Limited as at 31stDecember 2023, the statement of profit or loss, 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 notes.

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

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity 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 have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's)

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the Company's transactions have been reflected correctly in the records provided to us.

Geoffrey Danda
ACPA 2749

23/06/2024



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CHITAN REAL ESTATE COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	Note(s)	Dec-2023 Tsh	Dec-2022 Tsh
ASSETS:			
Non Current Assets			
Property, Plant and Equipments	2.5	322,515,687	324,285,172
Current Assets			
Cash and Cash Equivalent		48,468,680	1,417,890
Tax Recoverable	8	9,400,000	7,000,000
Inventories	5	12,628,731	11,008,755
Trade and other Receivables		-	634,768
		70,497,411	20,061,413
Total Assets		393,013,098	344,346,585
EQUITY & LIABILITIES:			
Equity			
Share Capital		445,000,000	445,000,000
Retained Earnings		(140,238,098)	(114,190,415)
Total Equity		304,761,902	330,809,585
Liabilities			
Payables & Accruals	9	4,500,000	13,537,000
Directors Current Account		83,751,196	-
		88,251,196	13,537,000
Total Equity and Liabilities		393,013,098	344,346,585

Notes from page 9 to 10 form part of these Accounts



Valence Tumbo Massawe

23/06/2024

CHITAN REAL ESTATE COMPANY LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023**

	Note(s)	Dec-2023 Tsh	Dec-2022 Tsh
Revenue		120,455,784	37,225,051
Direct Cost	5	<u>(47,508,084)</u>	<u>(28,091,791)</u>
Gross Profit		72,947,700	9,133,260
Operating Expenses			
Administrative Expenses	6	46,371,017	14,488,139
Depreciation	2.5	<u>52,624,367</u>	<u>54,540,739</u>
Total Expenses		98,995,383	69,028,878
Profit/(loss) before Interest and Tax		(26,047,683)	(59,895,618)
Profit/(loss) After Interest before Tax		(26,047,683)	(59,895,618)
Income Tax		-	-
Profit after Tax		<u>(26,047,683)</u>	<u>(59,895,618)</u>

Notes from page 9 to 10 form part of these Accounts

CHITAN REAL ESTATE COMPANY LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023**

Figures in Tzs	Share Capital	Retained Earnings	Total
Period ended 31 Dec 2023			
At start of the period	445,000,000	(114,190,415)	330,809,585
Capital	-	-	-
Profit/(Loss) for the year	-	(26,047,683)	(26,047,683)
As at 31 Dec 2023	445,000,000	(140,238,098)	304,761,902
Period ended 31 Dec 2022			
At start of the period	445,000,000	(54,294,797)	390,705,203
Capital	-	-	-
Profit/(Loss) for the year	-	(59,895,618)	(59,895,618)
As at 31 Dec 2022	445,000,000	(114,190,415)	330,809,585

Notes from page 9 to 10 form part of these Accounts

CHITAN REAL ESTATE COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

	Dec-2023	Dec-2022
	Tsh	Tsh
	<hr/>	<hr/>
Cash flow from Operating Activities		
Profit/(Loss) for the Year	(26,047,683)	(59,895,618)
Adjustment for Depreciation	52,624,367	54,540,739
	<hr/>	<hr/>
Operating Profit before Working Capital	26,576,683	(5,354,879)
Changes in Working Capital		
(Increase)/Decrease in Receivables	634,768	5,929,399
(Increase)/Decrease in Inventories	(1,619,976)	2,620,867
Increase / Decrease in Payables & Accruals	(9,037,000)	10,157,713
	<hr/>	<hr/>
	(10,022,208)	18,707,979
Net Cash flow from Operating Activities	16,554,475	13,353,100
Cash Flow From Investment Activities		
Purchases of Assets	(50,854,881)	(28,000,000)
	<hr/>	<hr/>
	(50,854,881)	(28,000,000)
Cash Flow from Financing Activities		
Director Current Account	83,751,196	-
Income Tax Paid	(2,400,000)	(3,000,000)
	<hr/>	<hr/>
Net Cash flows from investing activities	81,351,196	(3,000,000)
Changes in Cash and Cash Equivalent	47,050,790	(17,646,900)
Cash and Cash Equivalent at the Start of the year	1,417,890	19,064,790
	<hr/>	<hr/>
Cash at the end of the year	48,468,680	1,417,890

Notes from page 9 to 10 form part of these Accounts

CHITAN REAL ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. GENERAL INFORMATION

Chitan Real Estate Company Limited is incorporated under the Tanzanian Companies Act 2002. The company operates in Tanzania. The Company provides diverse solutions in real estate's management, transportation and supply of building materials.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these general purpose financial statements are set out below. These policies will be consistently applied in each year, unless otherwise stated.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis except where otherwise stated in the accounting policies below.

2.2 Basis of preparation

The Company prepares its financial statements on a going concern basis and in accordance with the International Financial Reporting Standard ("IFRS") issued by the International Accounting Standards Board ("IASB").

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Although such estimates and assumptions are based on the director's 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 revision is made.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

These financial statements are presented in Tanzanian Shillings ("TShs"), which is the Company's functional currency.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand and highly liquid financial assets with original maturities of three months or less from the acquisition date which are not subject to insignificant risk of changes in their fair value. Cash and cash equivalents are carried at amortized cost on the statement of financial position.

2.5 Depreciation

Depreciation on asset is calculated on straight line method so as to allocate the cost to their residual values over their estimated useful lives from the time the asset is brought into use to the time of its de-recognition as follows:

- Furniture & Fittings 12.5%
- Motor Vehicles 12.5%

CHITAN REAL ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Non-Current Assets Schedule

	Furniture & Fittings	Motor Vehicles	Computer & Accessories	Machinery	Total
Cost					
Balance as at 01/01/2023	4,100,000	433,000,000	-	-	437,100,000
Additions	5,000,000	-	5,854,881	40,000,000	50,854,881
Balance as at 31/12/2023	9,100,000	433,000,000	5,854,881	40,000,000	487,954,881
Depreciation					
Balance as at 01/01/2023	1,189,828	111,625,000	-	-	112,814,828
Charge for the year	988,772	40,171,875	1,463,720.34	10,000,000	52,624,367
Acc. Depreciation	2,178,600	151,796,875	1,463,720	10,000,000	165,439,195
Net book Value	6,921,401	281,203,125	4,391,161	30,000,000	322,515,687

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make estimates, assumptions and judgments which affect the application of accounting policies as well as the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates and assumptions which have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

4. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

During the year, the entity changed some of its accounting policies and corrected one accounting mistake. The change in policy and correction of the error is accounted for retrospectively as required by IAS 8 — Accounting Policies, Changes in Accounting Estimates and Errors.

Accounting Errors

During the year, the Entity corrected one accounting mistake. Vehicles worth Tzs 245,000,000/= purchased from capital contribution was erroneously omitted in the books of accounts. The error has been corrected and accounted for retrospectively. Below is a summary of the impact of the prior period error for the previous year.

	2021- Reported	Adjustments	2021- Restated
Share Capital	200,000,000	245,000,000	445,000,000
Non-Current Assets	105,825,911	245,000,000	350,825,911

CHITAN REAL ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2023

Figures in Tzs	Dec-2023	Dec-2022
5. COST OF GOODS SOLD		
Opening Balance	11,008,755	13,629,622
Add: Purchases during the year	49,128,060	25,470,924
Cost of Goods available for sales	60,136,815	39,100,546
Less: Inventory closing balance	(12,628,731)	(11,008,755)
Cost of Goods Sold	47,508,084	28,091,791
6. ADMINISTRATIVE EXPENSES		
Accounting fees	1,000,000	500,000
Advertisements	-	240,000
Cleaning Expenses	199,153	210,000
Electricity & Water bills	1,967,213	1,380,000
Insurance	-	120,000
Stationeries	1,271,186	82,300
Fire Extinguisher service	30,000	40,000
Business License fees	200,000	200,000
Casual Labor Wages	7,300,000	3,940,000
Office Rent	24,000,000	1,200,000
Bank Charges	701,770	1,330,839
Repair and maintenance	5,084,746	4,913,000
Transportation	3,600,000	-
Protective Equipments	-	122,000
Communication Expense	1,016,949	210,000
	46,371,017	14,488,139

7. RELATED PARTY TRANSACTIONS

In line with IAS 24, Related Party Disclosures, Directors regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Company's decisions and or vice versa. Board of Directors, Members of Committees, and Members of the Management's payments or offers from the Board are regarded as related parties.

A number of transactions are entered into with related parties in the normal course of business. The volume of related party transactions and outstanding balances ate year end, for the year are as follows;

Key management compensation

Key management includes Directors (Executives and Non-executives) and senior management team members. During the year there were no management compensation

8. TAX

	Dec-2023	Dec-2022
	Tsh	Tsh
Income per accounts	(26,047,683)	(59,895,618)
<i>Add Back;</i>		
Gifts	-	-
Penalties	-	-
Adjusted Income	(26,047,683)	(59,895,618)
Unrelieved Losses from prior years	-	-
Total Income	(26,047,683)	(59,895,618)
Opening Tax	(7,000,000)	(4,000,000)
Income Tax	-	-
Provisional Tax Paid	(2,400,000)	(3,000,000)
Tax Liability/(Recoverable)	(9,400,000)	(7,000,000)

9. TRADE PAYABLE

	Dec-2023	Dec-2022
	Tsh	Tsh
Accounting Fees	1,000,000	500,000
Other payables	3,500,000	13,037,000
Total	4,500,000	13,537,000