

U- FRESH FOOD LIMITED

P. O. BOX 14004 DAR ES SALAAM

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST DECEMBER, 2022**

**U – FRESH FOOD LIMITED
P.O.BOX 14004 DAR ES SALAAM**

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U – FRESH FOOD LIMITED
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED DECEMBER 2022

1. AUDITED ACCOUNTS

The Directors hereby submit their report together with the Audited Accounts for 12 month period ended 31st December 2022 which disclose the state of affairs of the company.

2. INTRODUCTION

The company was incorporated on 07th December, 2012 and issued with the certificate of incorporation no. **95698**.

The company was issued with the certificate of registration for Taxpayer Identification Number (TIN) **119 - 229 – 286** dated 14th December, 2012.

3. MAIN ACTIVITIES

The main activities of the Company remain that of construction.

4. RESULTS

The results of the period ended 31ST December 2022 and appropriation thereof are set out on pg. 4

5. DIVIDEND

The Directors do not recommend the payments of dividends during the year.

6. DIRECTORS

The name of Directors of the Company who held office during the year 2022 is set out below:

NAME	NATIONALITY
1. MR. CHEN JIAN YONG	CHINESE
2. MR. CHEN JIN SONG	CHINESE

7. SHAREHOLDERS

The shareholding of the company is as follows:

	NO. OF SHARES	SHARES (%)
MR. CHEN JIAN YONG	5,000	50%
MR. CHEN JIN SONG	5,000	50%
TOTAL	10,000	100%

8. AUDITORS

FINCARE AND COMPANY who were appointed auditors during the year have expressed their willingness to be re – appointed.

BY ORDER OF THE BOARD

CHIEF EXECUTIVE OFFICER

Date

**U – FRESH FOOD LIMITED
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STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for the maintenance of adequate accounting records and preparation of the Financial Statements and the related information. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Directors also are responsible for the systems of internal controls. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material miss-statements and loss.

The systems are implemented and monitored by suitably trained personnel with appropriate segregation duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial Statements are prepared on a going concern basis. Nothing has come to the attention of the Directors which indicates that the Company will not remain a going concern for the foreseeable future.

BY ORDER OF THE BOARD

CHIEF EXECUTIVE OFFICER

Dated

U – FRESH FOOD LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31STDECEMBER, 2022

ASSETS EMPLOYED	NOTE	2022 TSHS	2021 TSHS
NON CURRENT ASSETS	12	6,567,804,398.36	2,923,134,632.44
CURRENT ASSETS			
stock	2	1,821,942,031.76	2,130,486,117.00
Trade Debtors	6	210,140,730.00	233,489,700.00
Cash and Bank balance	4	1,535,333,288.24	836,230,891.02
Total Current Assets		<u>3,567,416,050.00</u>	<u>3,200,206,708.02</u>
TOTAL ASSETS		<u>10,135,220,448.36</u>	<u>6,123,341,340.46</u>
EQUITY AND LIABILITIES			
EQUITY			
Share Capital		100,000,000.00	100,000,000.00
Retained Earnings		1,984,490,458.76	1,354,783,484.94
Directors		3,784,819,173.77	590,745,356.00
Total Equity		<u>5,869,309,632.53</u>	<u>2,045,528,840.94</u>
CURRENT LIABILITIES			
Trade Creditors and Accrual	7	4,048,200,229.48	4,071,812,499.52
Taxation	11	217,710,586.36	6,000,000.00
Total Current Liabilities		<u>4,265,910,815.83</u>	<u>4,077,812,499.52</u>
TOTAL EQUITY AND LIABILITIES		<u>10,135,220,448.36</u>	<u>6,123,341,340.46</u>

NOTES 1 TO 13 FORM PART OF THESE ACCOUNTS

DIRECTOR

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2022

	NOTES	2022 TSHS	2021 TSHS
Revenue	3	48,764,986,169.68	42,305,955,121.70
Cost of Goods sold	10	(43,314,311,040.70)	(38,430,186,054.07)
Gross Profit		5,450,675,128.98	3,875,769,067.63
Operating Expenditure:			
Employment	8.1	335,264,210.19)	(94,583,077.24)
Establishment	8.2	(1,950,883,502.90)	(723,299,514.86)
Administration	8.3	(278,266,936.82)	(626,703,106.06)
Selling & Distribution	8.4	(1,974,606,680.07)	(1,671,616,144.14)
Financial	8.5	(12,072,407.80)	(6,233,892.00)
Total Operating Expenditure		4,551,093,737.79	(3,122,435,734.30)
Net profit before tax		899,581,391.19	753,333,333.33
Less: Corporate Tax		(269,874,417.36)	(226,000,000.00)
Net Profit After Tax		629,706,973.83	527,333,333.00

NOTES 1 TO 13 FORM PART OF THESE ACCOUNTS

DIRECTOR

U – FRESH FOOD LIMITED
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STATEMENT OF CHANGE IN OWNER'S EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2022

	SHARE CAPITAL	RESERVE & SURPLUS	DIRECTORS	TOTAL
	TSHS	TSHS		TSHS
PREVIOUS YEAR (2021)				
Balance as at 1 st Jan 2021	100,000,000.00	827,450,151.60	590,745,356.00	1,251,728,840.93
Issued share capital	-	-	-	-
Directors	-	-	-	-
Profit for the year	-	527,333,333.00	-	527,333,333.00
Balance as at 31st Dec, 2021	100,000,000.00	1,354,783,484.93	590,745,356.00	2,045,528,840.93
CURRENT YEAR (2022)				
Balance as at 1 st Jan 2022	100,000,000.00	1,354,783,484.93	590,745,356.00	2,045,528,840.94
Issued share capital	-	-	-	-
Directors	-	-	3,194,073,817.77	3,194,073,817.77
Profit for the year	-	629,706,973.83	-	629,706,973.83
Balance as at 31st Dec, 2022	100,000,000.00	1,984,490,458.76	3,784,819,173.77	5,869,309,632.53

NOTES 1 TO 13 FORM PART OF THESE ACCOUNTS

DIRECTOR

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STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	TSHS	TSHS
Net Profit/(Loss) Before Tax	899,581,391.19	753,333,333.33
ADJUSTMENT FOR NON CASH ITEMS:		
Depreciation	1,548,721,956.19	357,679,646.63
Operating profit before Tax	2,448,303,347.38	1,111,012,979.96
CHANGE IN WORKING CAPITAL:		
Increase / Decrease in stock and stores	308,544,085.24	(400,231,947.40)
Increase / Decrease in Debtors & prepayments	23,348,970.00	(113,489,700.00)
Increase / Decrease in Creditors & accruals	(378,776,101.06)	2,640,970,966.48
Net change in working capital	(46,883,045.82)	2,127,249,319.08
Cash generated from/(used in) from operations	2,401,420,301.56	3,238,262,299.04
Income tax paid	(283,000,000.00)	(182,569,900.08)
Net cash inflow/(outflow)from operating activities	2,118,420,301.56	3,055,692,398.96
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of PPE	(3,421,840,226.61)	(445,748,379.40)
Construction of factory building	(1,191,551,495.50)	(1,826,513,871.10)
Net cash inflow/(outflow)from investing activities	(4,613,391,722.11)	(2,272,262,250.50)
CASH FLOW FROM FINANCING ACTIVITIES:		
Directors	3,194,073,817.77	-
Net cash inflow/(outflow)from financing activities	3,194,073,817.77	-
Net increase/(decrease) in cash and Equivalents	699,102,397.22	783,430,148.46
Cash and Equivalents at the beginning of the year	836,230,891.02	52,800,742.56
Cash and Equivalents balance at end of the year	1,535,333,288.24	836,230,891.02

NOTES 1 TO 13 FORM PART OF THESE ACCOUNTS

DIRECTOR

**U – FRESH FOOD LIMITED
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NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31STDECEMBER, 2022

NOTE 1: PRINCIPAL ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The accounts are prepared on historical cost basis of accounts modified when necessary to include revaluation of assets.

1.2 FIXED ASSETS

Fixed assets are shown in the balance sheet at cost less depreciation.

1.3 DEPRECIATION

Depreciation is charged on reducing balance method for the company's depreciable assets to write off the cost of assets over their expected useful lives at an annual rate of;

Motor vehicle	25%
Machines & Tools	37.5%
Furniture & fittings	12.5%
Building	5%

NOTE 2: STORES AND STOCKS

The stocks of building materials are stated in the financial statements at the lower of cost or Net realizable value.

	2022	2021
	TSHS	TSHS
Work in progress	574,088,291.55	671,309,577.23
Raw Material	622,018,144.18	727,356,303.11
Finished Goods	625,835,596.03	731,820,236.66
Total	<u>1,821,942,031.76</u>	<u>2,130,486,117.00</u>

NOTE 3: REVENUE

	2022	2021
	TSHS	TSHS
Revenue	48,877,554,529.68	42,305,955,121.70
Cancelled EFD Receipts	(112,568,360.00)	-
	<u>48,764,986,169.68</u>	<u>42,305,955,121.70</u>

NOTE 4: CASH & BANK BALANCE

	2022	2021
	TSHS	TSHS
Cash & Bank balance	1,535,333,288.24	836,230,891.02
	<u>1,535,333,288.24</u>	<u>836,230,891.02</u>

NOTE 5: FINANCIAL

	2022	2021
	TSHS	TSHS
Bank charges & interest	12,072,407.80	6,233,892.00
TOTAL	<u>12,072,407.80</u>	<u>6,233,892.00</u>

NOTE 6: TRADE DEBTORS

	2022	2021
	TSHS	TSHS
Trade Debtors	210,140,730.00	233,489,700.00
	<u>210,140,730.00</u>	<u>233,489,700.00</u>

NOTE 7: TRADE CREDITORS AND ACCRUALS

	2022	2021
	TSHS	TSHS
TRADE CREDITORS		
Trade creditors	3,821,510,036.88	3,826,887,546.10
TOTAL TRADE CREDITORS	3,821,510,036.88	3,826,887,546.10
ACCRUALS		
VAT	113,324,435.49	161,419,858.20
NSSF	29,863,605.00	17,408,847.00
PAYE	7,278,785.76	4,221,733.02
SDL	5,972,721.00	4,597,437.20
Excise Duty	30,305,772.00	31,414,815.00
City Levy	39,198,283.22	25,862,263.00
WCF	746,590.13	-
TOTAL ACCRUALS	226,690,192.60	244,924,953.42
TOTAL TRADE CREDITORS AND ACCRUALS	4,048,200,229.48	4,071,812,499.52

NOTE 8: OPERATION EXPENDITURE**8.1 EMPLOYMENT**

	2022	2021
	TSHS	TSHS
Workers Compensation Fund (WCF)	6,342,219.27	1,174,900.00
Skills Development Levy (SDL)	54,820,331.82	23,703,545.44
NSSF	274,101,659.10	69,704,631.80
TOTAL	335,264,210.19	94,583,077.24

8.2 ESTABLISHMENT

	2022	2021
	TSHS	TSHS
Business License	2,400,000.00	2,000,000.00
City service levy	146,522,277.96	121,335,912.91
Depreciation	1,548,721,956.19	357,679,646.63
Fire, OSHA, TFDA & TBS	44,263,000.00	21,558,000.00
NEMC Fee	2,250,000.00	1,500,000.00
Rent	163,241,600.00	141,118,432.00
Security charges	8,127,380.00	8,127,380.00
Stamp duty on rent	1,632,416.00	1,411,184.32
Weight & Measure Agency (WMA)	6,650,000.00	5,730,000.00
Workers Health Fee	3,256,452.00	1,400,000.00
Atomic Energy- Levy	9,674,494.00	8,987,860.00
Excisable License	1,500,000.00	1,000,000.00
Sugar Board Levy	12,643,926.75	51,451,099.00
TOTAL	<u>1,950,883,502.90</u>	<u>723,299,514.86</u>

8.3 ADMINISTRATION

	2022	2021
	TSHS	TSHS
Administration salaries & wages	164,720,400.00	83,497,400.00
Office equipment's repairs and maintenances	4,125,463.00	4,296,116.00
Printing and stationery	5,254,875.00	5,256,000.00
Audit fees	3,000,000.00	3,000,000.00
Office transportation expenses	18,542,464.00	14,784,799.01
Travelling expenses	-	218,088,000.00
Sewerage Water Expenses	-	122,462,000.00
Electricity and clean water	78,519,734.82	68,420,204.05
Waste collection expenses	4,104,000.00	106,898,587.00
TOTAL	<u>278,266,936.82</u>	<u>626,703,106.06</u>

8.4 SELLING & DISTRIBUTION EXPENSES

	2022	2021
	TSHS	TSHS
SELLING AND DISTRIBUTION SALARIES AND WAGES	256,177,721.68	79,766,901.00
MOTOR VEHICLE FUEL & OIL EXPENSES	1,008,186,257.06	942,082,853.83
MOTOR VEHICLE REPAIRS AND MAINTANANCE	239,690,634.67	177,073,058.29
MOTOR VEHICLE INSURANCE	7,316,000.00	6,136,000.00
TRANSPORTATION FROM DSM TO MBEYA GODOWN	463,236,066.67	466,557,331.02
TOTAL	<u>1,974,606,680.07</u>	<u>1,671,616,144.14</u>

NOTE 9: PRODUCTION COST

	2022	2021
	TSHS	TSHS
Opening stock of raw materials	727,356,303.11	582,719,204.17
ADD: purchases of raw materials	19,466,599,638.23	16,936,743,955.05
Raw material Available for Production	<u>20,193,955,941.34</u>	<u>17,519,463,159.22</u>
Closing Stock of raw materials	622,018,144.18	727,356,303.11
Cost of Material consumed	<u>19,571,937,797.15</u>	<u>16,792,106,856.11</u>
Direct wages	941,788,194.84	414,726,279.00
Prime cost	<u>20,513,725,991.99</u>	<u>17,206,833,135.11</u>
ADD: Factory overheads		
Parking materials	19,314,607,115.59	18,831,700,521.30
Inspection fee	1,850,000.00	1,850,000.00
Electricity and water for factory	1,116,704,179.22	982,084,897.12
Factory staff food	41,496,000.00	77,137,900.00
Machinery run expenses	255,656,090.60	105,458,623.00
Wooden Charcoal	650,167,942.00	690,926,300.00
Stamps Sticker for Juice (TRA)	1,216,897,795.00	789,789,526.00
Sewerage Water Expenses	200,900,000.00	-
Waste Collection	53,449,293.50	-
WORK IN PROCESS:		
Opening WIP	671,309,577.23	606,175,363.34
Closing WIP	574,088,291.55	671,309,577.23
Cost of Production	<u>43,208,326,400.07</u>	<u>38,620,646,688.64</u>

NOTE 10: COST OF GOODS SOLD

	2022	2021
	TSHS	TSHS
Opening stock (finished goods)	731,820,236.66	541,359,602.09
Add: Production	43,208,326,400.07	38,620,646,688.64
Goods available for sale	<u>43,940,146,636.73</u>	<u>39,162,006,290.73</u>
Closing stock (finished goods)	625,835,596.03	731,820,236.66
Cost of goods sold	<u>43,314,311,040.70</u>	<u>38,430,186,054.07</u>

NOTE 11: CORPORATE TAX

	2022	2021
	TSHS	TSHS
Balance b/f	6,000,000.00	6,613,779.92
ADD: Tax during the year	269,874,417.36	226,000,000.00
Additional Assessment	230,836,169.00	30,816,320.00
Total	<u>506,710,586.36</u>	<u>263,430,099.92</u>
Less:		
Tax on Provision paid	283,000,000.00	220,000,000.00
Net Tax Paid before Audit	6,000,000.00	6,613,779.92
Additional Assessment paid	-	30,816,320.00
Corporate tax payable / (Recoverable)	<u>217,710,586.36</u>	<u>6,000,000.00</u>

NOTE 12:

(a) MOVEMENT OF FIXED ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2022

CLASS RATE	ASSET	FURNITURE & FITTINGS		PLANT, MACHINERY & EQUIPMENTS		MOTOR VEHICLE		BUILDING		TOTAL
		12.5% III TSHS	37.5% I TSHS	25% II TSHS	5% VI TSHS					
PREVIOUS YEAR 2021										
	NBV AS AT 1 ST JAN 2021	55,388,396.60	462,476,374.30	40,687,257.67	-	-	1,826,513,871.10	558,552,028.57		
	ADDITIONS	-	445,748,379.40	-	-	-	-	2,272,262,250.50		
	DISPOSAL	-	-	-	-	-	-	-		
	BALANCE AS AT 31 ST DEC 2021	55,388,396.60	908,224,753.70	40,687,257.67	-	-	-	2,830,814,279.08		
	CHANGE FOR THE YEAR	6,958,931.50	340,584,282.64	10,171,814.42	-	-	-	357,679,646.63		
	NBV AS AT 31 ST DEC 2021	48,712,520.49	567,640,471.06	30,515,443.25	-	-	1,826,513,871.10	2,473,134,632.45		
ADD: APPRECIABLE ASSETS										
	LAND - LAND SQ. METER 13,490							450,000,000.00		
CURRENT YEAR 2022										
	NBV AS AT 1 ST JAN 2022	48,712,520.49	567,640,471.06	30,515,443.25	-	-	1,826,513,871.10	2,473,134,632.45		
	ADDITIONS	23,289,107.58	3,026,361,608.73	372,189,510.30	-	-	1,191,551,495.50	4,613,391,722.11		
	DISPOSAL	-	-	-	-	-	-	-		
	BALANCE AS AT 31 ST DEC 2022	71,753,954.61	3,594,002,079.80	402,704,953.55	-	-	3,018,065,366.60	7,086,526,354.55		
	CHANGE FOR THE YEAR	8,969,244.33	1,347,750,779.92	100,676,238.39	-	-	91,325,693.56	1,548,721,956.19		
	NBV AS AT 31 ST DEC 2022	62,784,710.28	2,246,251,299.87	302,028,715.16	-	-	2,926,739,673.04	5,537,804,398.36		
ADD: APPRECIABLE ASSETS										
	LAND SQ. METER 13,490 - KIBAHA							450,000,000.00		
	LAND SQ. METER 13,000 - MWANZA							580,000,000.00		
	TOTAL NET BOOK VALUE OF NCA AS AT 31ST DEC 2022							6,567,804,398.36		