

# **MWANGAMKALI COMPANY LIMITED**

(Registration number .....)

**Financial statements for the year  
ended 31 December 2024**



# MWANGAMKALI COMPANY LIMITED

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

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## General Information

<b>Country of incorporation and domicile</b>	United Republic of Tanzania
<b>Nature of business and principal activities</b>	Selling and Distribution of Electrical Appliances
<b>Directors</b>	Mingyue Xiao Ruizhou Lin
<b>Registered office</b>	Madodo Street, Mipeko A Mkuranga District Pwani.
<b>Postal address</b>	P.O. Box 6858 Tanzania
<b>Bankers</b>	CRDB Kariakoo Branch Dar es Salaam Tanzania
<b>Company registration number</b>	.....

# MWANGAMKALI COMPANY LIMITED

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

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## Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

	<b>Page</b>
The Report by Those Charged with Governance	3 - 6
Statement of Directors' Responsibilities	7
Declaration of the Head of Finance and Accounting	8
Practitioner's Compilation Report	9
Statement of Financial Position	10
Statement of Profit or Loss and Other Comprehensive Income	11 - 12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Accounting Policies	15 - 18
Notes to the Financial Statements	18 - 18

# **MWANGAMKALI COMPANY LIMITED**

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

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The members of those charged with governance have pleasure in submitting their report on the financial statements of MWANGAMKALI COMPANY LIMITED for the year ended 31 December 2024.

## **1. Incorporation**

The company was incorporated in the United Republic of Tanzania under the Companies Act 2002 as a private company limited by share.

## **2. Nature of business**

The principal activity of the company is that of Selling and Distribution of Electrical Appliances

There have been no material changes to the nature of the company's business from the prior year.

## **3. Review of financial results and activities**

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

The profit for the company during the period was **TZS 7,117,659.93** before taxation of **Tshs.2,135,297.98**

## **4. Business objectives and strategies**

To develop a customized insurance products for emerging risks to various customers at a very efficient and effectively way.

## **5. Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## **6. Liquidity**

The company is financed solely from its shareholder's equity

## **7. Events after the reporting period**

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

# MWANGAMKALI COMPANY LIMITED

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

## 8. Directors

The directors in office at the date of this report are as follows:

Name	Nationality
Mingyue Xiao	Chinese
Ruizhou Lin	Chinese

## 9. Share capital

Authorised	2024	2023	2024	2023
Ordinary shares	Number of shares			
			10,000	10,000
Issued	2024	2023	2024	2023
Ordinary shares	TZS '000	TZS '000	Number of shares	Number of shares
	10,000	10,000	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

## 10. Shareholders

The total number of shareholders during the year are 3 shareholders

The shares of the company are held as follows:

Directors	2024	2023
	Direct	Direct
Mingyue Xiao	200	200
Ruizhou Lin	9,800	9,800
	<b>10,000</b>	<b>10,000</b>

## 11. Corporate Governance

The board of directors consists of three directors. The board takes overall responsibility for the company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The board is required to meet at least four times a year. The board delegates the day to day management of the business to the managing director assisted by senior management. Senior management is invited to attend board meetings and facilitate the effective control of all the company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective governance. The directors also recognize the importance of integrity, transparency and accountability.

# **MWANGAMKALI COMPANY LIMITED**

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

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## **12. Risk management and internal control**

The board accepts final responsibility for the risk management and internal control systems of the company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the board with reasonable assurance that the procedures in place are operating effectively.

The board assessed the internal control systems throughout the financial year ended 31 December 2022 and is of the opinion that they met accepted criteria.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

## **13. Employees' welfare**

### **Management and employees' relationship**

The relation between employees and management continued to be cordial during the year. There were no unresolved complaints received by management from the employees during the year.

The company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

### **Employee benefit plan**

Employees are members of a pension fund. The company contributes 10% of gross salary of each employee on behalf of all permanent employees. These plans are defined contribution plans.

The company's employment terms are regularly reviewed to ensure that they continue to meet statutory and market conditions. The company communicates with its employees through regular management and staff meetings and through circulars. The company has continued to maintain a favourable working environment in terms of safety, offices, hours worked and medical facilities.

## **14. Environmental matters**

The company has implemented plastic recycling activity which is separate from garbage disposal

## **15. Political and charitable donations**

There were no political or charitable donations made during current financial year

# MWANGAMKALI COMPANY LIMITED

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

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## 16. Secretary

The company secretary is Mingyue Xiao.

## 17. Dividends

No dividends were declared or paid to shareholders during the year.

## 18. Related parties' transactions

There is no related party transaction during the year.

## 19. Responsibility of those charged with governance

It is the director's responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with international Financial Reporting Standard for Small and Medium-sized Entities and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislation relevant to the company.

The financial statements set out on pages 10 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 30 April 2025, and were signed on its behalf by:

肖明月

.....  
Mingyue Xiao

Director  
Date: 28/05/2025

林瑞州

.....  
Ruizhou Lin

Director  
Date: 28/05/2025

# MWANGAMKALI COMPANY LIMITED

(Registration number: .....)

Financial Statements for the year ended 31 December 2024

## Statement of Directors' Responsibilities

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the next twelve months.

The financial statements set out on pages 10 to 19, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on its behalf by:

肖明月

Mingyue Xiao

Director  
Date: 28/05/2025

林瑞州

Ruizhou Lin

Director  
Date: 28/05/2025



## Report of the Independent Auditor

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To the Shareholders of **MWANGAMKALI COMPANY LIMITED**.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **MWANGAMKALI COMPANY LIMITED** (the company) set out on pages 13 to 16, which comprise the statement of financial position as at 31<sup>st</sup> December, 2024, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **MWANGAMKALI COMPANY LIMITED** as at 31<sup>st</sup> December, 2024, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of Auditor's Responsibilities for the Audit of the Financial Statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matters

The financial statements of **MWANGAMKALI COMPANY LIMITED** for the year ended 31<sup>st</sup> December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on.

#### Other information

The directors are responsible for the other information.

The other information comprises Directors' Report, Statement of Directors' Responsibilities and Declaration of the Head of Finance/Accounting, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Report on Other Legal and Regulatory Requirements

This report, including opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act 2002 and for no other purposes. As required by the Companies Act 2002, we report to you, based on our audit, that:

- This report, including opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act 2002 and for no other purposes. As required by the Companies Act 2002, we report to you, based on our audit, that:
- In our opinion proper books of accounts have been kept by the company, so far as appears for our examination of the books;
- The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts;
- The directors' report is consistent with the financial statements; and
- Information specified by law regarding directors' remuneration and transactions with the company is disclosed.

*Mwamini*

Mwamini Ramadhani Kijemkuu  
ACPA – PP 4637  
For and on behalf of Alliance Auditors  
Certified Public Accountants in Public Practice  
P.O.Box 4042  
Dar es Salaam



Date: ..... 29/05/2025 .....

MWANGAMKALI COMPANY LIMITED

(Registration number.....)

Financial Statements for the year ended 31 December 2024

**Statement of Financial Position as at 31<sup>st</sup> December 2024**

	NOTES	2024	2023
<b>ASSETS</b>			
Non current asset			
Plant, property and equipment	02	100,820,205.50	115,223,092.00
		<u>100,820,205.50</u>	<u>115,223,092.00</u>
Current asset			
Closing stock	8	2,479,770,000.00	1,609,800,000.00
Trade and Other Receivables	6	477,144,545.20	1,096,200.00
cash and cash equivalent	5	5,321,831.56	3,557,448.89
<b>Total Current Assets</b>		<u>2,962,236,376.76</u>	<u>1,614,453,648.89</u>
<b>TOTAL ASSETS</b>		<u>3,063,056,582.26</u>	<u>1,729,676,740.89</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	3	10,000,000.00	10,000,000.00
Equity contribution		-	262,646,907.00
Retained earning		144,298,898.91	-139,316,536.96
<b>Total equity</b>		<u>154,298,898.91</u>	<u>133,330,370.04</u>
<b>LIABILITIES</b>			
Current Liabilities			
Trade and other payables	7	2,906,622,385.37	1,597,027,966.15
Current tax payable		2,135,297.98	578,068.04
<b>Total Current Liabilities</b>		<u>2,908,757,683.35</u>	<u>1,597,606,034.19</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,063,056,582.26</u>	<u>1,730,936,404.23</u>

The financial statements and the notes on pages 18 to 19, were approved by the board of directors on the date of this statement and were signed by:

肖明月

Mingyue Xiao

Director

Date: 28/05/2025

林瑞彬

Ruizhou Lin

Director

Date: 28/05/2025

The accounting policies on pages 14 to 17 and the notes on page 18 to 19 form an integral part of the financial statements.

## Statement of Profit or Loss and Other Comprehensive Income for the year of income 2024

DETAILS	NOTES	2024	2023
Sales	4	828,438,644.16	505,030,169.46
Cost of sales	8	714,625,115.30	396,419,962.32
<b>Gross profit</b>		113,813,528.86	108,610,207.14
Payroll cost	9	69,552,000.00	51,878,400.00
Administrative expenses	10	21,430,638.82	23,479,814.00
Depreciation	2	14,402,886.50	28,805,773.00
Finance Costs	11	1,310,343.61	1,259,663.34
Total Operating expenses		106,695,868.93	105,423,650.34
<b>Profit /(loss) before tax</b>		<b>7,117,659.93</b>	<b>3,186,556.80</b>
Income Tax credit charge		2,135,297.98	955,967.04
Total comprehensive income		4,982,361.95	2,230,589.76

The accounting policies on pages 14 to 17 and the notes on page 18 to 19 form an integral part of the financial statements.

# MWANGAMKALI COMPANY LIMITED

(Registration number:.....)

Financial Statements for the year ended 31 December 2024

## Statement of Changes in Equity as at 31<sup>st</sup> December 2024

Description	Share capital	Equity contribution	Retained earnings	Total equity
Balance as at 1/1/2024	10,000,000.00	262,646,907.00	139,316,536.96	411,963,443.96
Prior period error		-262,646,907.00		
Profit for the year	-	-	4,982,361.95	4,982,361.95
Balance as at 31/ 12 /2024	10,000,000.00	-	144,298,898.91	154,298,898.91
Balance as at 01 /01/ 2023	10,000,000.00	262,646,907.00	142,503,093.76	415,150,000.76
Profit for the year	-	-	3,186,556.80	3,186,556.80
Balance as at 31/ 12 /2023	10,000,000.00	262,646,907.00	139,316,536.96	411,963,443.96

The accounting policies on pages 14 to 17 and the notes on page 18 to 19 form an integral part of the financial statements.

**MWANGAMKALI COMPANY  
LIMITED**

**Statement of Cash flows for the year ending 31.12 2024**

	2024	2023
Operation Expenses		
Net Operating Profit/loss before tax	7,117,659.93	3,186,556.80
Adjustment Depreciation	14,402,886.50	28,805,773.00
	<u>21,520,546.43</u>	<u>31,992,329.80</u>
Changes in Working Capital		
Stock	-869,970,000.00	-1,489,800,000.00
Payables	1,309,594,419.22	1,320,667,924.81
Receivables	-474,544,545.20	137,361,239.00
Tax paid	-2,600,000.00	-900,000.00
Accruals	17,763,962.22	1,659,768.05
Net Cashflow from Operation Activities	A <u>1,764,382.67</u>	<u>981,261.66</u>
Cashflow from Financing Activities	-	-
Net Cashflow from Financing Activities	B <u>-</u>	<u>-</u>
Cashflow from Investing Activities		
Acquisition of fixed assets	-	-
Net Cashflow from Investing Activities	C <u>-</u>	<u>-</u>
Net increase/decrease in cash and cash equivalent	<u>1,764,382.67</u>	<u>981,261.66</u>
Cash and cash equivalent at the beginning of the year	<u>3,557,448.89</u>	<u>2,576,187.23</u>
Cash and cash equivalent at the end of the year	<u>5,321,831.56</u>	<u>3,557,448.89</u>

The accounting policies on pages 14 to 17 and the notes on page 18 to 19 form an integral part of the financial statements.

# MWANGAMKALI COMPANY LIMITED

(Registration number:.....)

Financial Statements for the year ended 31 December 2024

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## Accounting Policies

### 1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 2002. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings (TZS), rounded to the nearest thousand.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment is carried at cost less depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation is provided using the diminishing balance method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

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Item	Depreciation method	Percentage
Buildings	Diminishing balance	5
Equipments	Diminishing balance	12.5
Furniture and fittings	Diminishing balance	12.5
Motor vehicles	Diminishing balance	37.5
Container storages	Diminishing balance	37.5
Computers	Diminishing balance	37.5
Pool furnitures	Diminishing balance	12.5
Gym equipments	Diminishing balance	12.5

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

# MWANGAMKALI COMPANY LIMITED

(Registration number:.....)

Financial Statements for the year ended 31 December 2024

## Accounting Policies

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### 1.2 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the 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 profit or loss.

Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.3 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

# MWANGAMKALI COMPANY LIMITED

(Registration number:.....)

Financial Statements for the year ended 31 December 2024

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## Accounting Policies

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

### 1.3 Tax (continued)

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

### 1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, 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 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, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.7 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

# MWANGAMKALI COMPANY LIMITED

(Registration number:.....)

Financial Statements for the year ended 31 December 2024

## Accounting Policies

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The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

### 1.7 Employee benefits (continued)

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

### 1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

### 1.10 Foreign exchange

#### Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Tanzanian 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 profit or loss

## Notes to Financial statements

### Note 02: Property, Plants and Equipment

	PLANT AND EQUIPMENT	TOOLS AND ELECTRICAL EQUIPMENT	TOTAL
<b>Rate</b>	<b>12.50%</b>	<b>37.50%</b>	
Balance as at 01.01.2024	230,446,184.00	17,563,559.00	248,009,743.00
Addition			
Balance as at 31.12.2024	230,446,184.00	17,563,559.00	248,009,743.00
<b>Depreciation</b>			
Balance as at 01.01.2024	115,223,092.00	17,563,559.00	132,786,651.00
Charge for the year	14,402,886.50	-	14,402,886.50
Balance as at 31.12.2024	129,625,978.50	17,563,559.00	147,189,537.50
Net book value as at 31.12.2024	100,820,205.50	-	100,820,205.50

	PLANT AND EQUIPMENT	TOOLS AND ELECTRICAL EQUIPMENT	TOTAL
<b>Rate</b>	<b>12.50%</b>	<b>37.50%</b>	
Balance as at 01.01.2023	230,446,184.00	17,563,559.00	248,009,743.00
Addition			
Balance as at 31.12.2023	230,446,184.00	17,563,559.00	248,009,743.00
<b>Depreciation</b>			
Balance as at 01.01.2023	86,417,319.00	17,563,559.00	103,980,878.00
Charge for the year	28,805,773.00		28,805,773.00
Balance as at 31.12.2023	115,223,092.00	17,563,559.00	132,786,651.00
Net book value as at 31.12.2023	115,223,092.00	-	115,223,092.00

#### 3 Equity

Share Capital	10,000,000.00	10,000,000.00
Total	10,000,000.00	10,000,000.00

#### 4 Sales Revenue

Sales	828,438,644.16	505,030,169.46
Total	828,438,644.16	505,030,169.46

#### 5 Cash and Cash Equivalents

CRDB TSH	1,311,983.76	1,531,255.39
CRDB USD	4,009,847.80	2,026,193.50
Total	5,321,831.56	3,557,448.89

<b>6 Trade and Other Receivables</b>		
Provisional tax	2,600,000.00	1,096,200.00
VAT receivable	474,544,545.20	
Total	<u>477,144,545.20</u>	<u>1,096,200.00</u>
<b>7 Trade and Other Payables</b>		
Payables	2,906,622,385.37	1,593,408,003.81
Total	<u>2,906,622,385.37</u>	<u>1,593,408,003.81</u>
<b>8 Cost of Sales</b>		
Opening stock	1,609,800,000.00	120,000,000.00
Purchases	1,584,595,115.30	1,886,219,962.32
closing stock	( 2,479,770,000.00)	(1,609,800,000.00)
Total	<u>714,625,115.30</u>	<u>396,419,962.32</u>
<b>9 Payroll cost</b>		
Salary and wages	67,200,000.00	47,376,000.00
NSSF	-	1,982,400.00
SDL	2,352,000.00	2,520,000.00
Total	<u>69,552,000.00</u>	<u>51,878,400.00</u>
<b>10 Administrative expenses</b>		
Rent	12,000,000.00	12,000,000.00
Electricity	3,557,322.89	3,326,269.00
Cleaning	150,000.00	-
Clearing and forwarding	1,680,000.00	6,098,545.00
License	600,000.00	600,000.00
Repair and Maintenance	350,000.00	300,000.00
Security	120,000.00	120,000.00
city service levy	2,485,315.93	885,000.00
Water	288,000.00	
Transport	200,000.00	150,000.00
Total	<u>21,430,638.82</u>	<u>23,479,814.00</u>
<b>11 Finance Costs</b>		
Bank charges	1,310,343.61	1,259,663.34
Total	<u>1,310,343.61</u>	<u>1,259,663.34</u>

## Notes to the Financial Statements

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax basement to the company. The final income tax liability as determined by TRA after their review may differ from the liability determine by the company and procedures are in place for the company to object and appeal such basements. It is common that at a time frame from the company's own submission of its final tax returns and for TRA performing their review and issuing of notice of final tax basement may take several months or years

### 12.Contingencies

The directors are of the opinion that there are no contingent liabilities as at the year end.

### 13.Comparative figures

Where necessary, comparative figures have been reclassified to conform to change in presentation in the current year.

### 14.Related parties

**There were no related party transactions during the period**

### 15.Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 16.Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which may have a material impact on the financial statements.