JK WHITE CEMENT (AFRICA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

GENERAL INFORMATION

Country of incorporation and domicile	United Republic of Tanzania
Directors	Raghavpat Singhania Ajay Kumar Saraogi Amit Kothari Tushar Sawhney
Registered office	Plot 429, Block 1, House 1 Mahando Street, Msasani Peninsula, P.O. Box 79282 Dar Es Salaam, Tanzania
Bankers	CRDB Bank Plc P.O Box 268, Dar Es Salaam
Auditors	Mehta & Associates Certified Public Accountants Member firm of Integra International Mezzanine Floor of Urban Rose Tower Jamhuri Street, Near DTV Round About P.O Box 75303 Dar es Salaam, Tanzania
Secretary	Amit Kothari
Company registration number	138067106

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REPORT BY THOSE CHARGED WITH GOVERNANCE

The directors have pleasure in submitting their report on the annual report and financial statements of JK White Cement (Africa) Limited for the year ended 31 March 2025.

1. Incorporation

The company was incorporated on 4 November 2018 and obtained its certificate to commence business on the same day.

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

2. Nature of business

The principal activities of the company are importation and distribution of White Cement and Wall Putty.

3. Share capital

	2024-25	2023-24
Authorised	Number of shares	
Ordinary shares	20,000	20,000

	2024-25	2023-24	2024-25	2023-24
Issued	TZS '000	TZS '000	Number of shares	
JK Cement Works (Fujairah) FZC	499,500	499,500	4,995	4,995
Ajay Kumar Saraogi	500	500	5	5
	500,000	**500,000**	**5,000**	**5,000**

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

4. Directors

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

Directors	**Designation**	**Nationality**
Raghavpat Singhania	Director	Indian
Ajay Kumar Saraogi	Director	Indian
Amit Kothari	CEO	Indian
Tushar Sawhney	Director	Indian

Mr. Hardeep Singh who has been appointed as a new director to the board effective 27 February 2024, has resigned from his position as the director to the board on 25th June 2024.

5. Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Tanzanian Companies Act 2002. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 1.

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

6. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year.

7. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

8. Corporate governance

The board of directors comprises of four individuals who hold executive positions at the company. The board takes overall responsibility for the company, including responsibility of 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 are in 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 CEO assisted by senior management. Senior management is invited to attend board meetings and facilitates 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 corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

9. Employees' welfare

Management and Employees' Relationships

There were continued good relations between employees and management for year ended 31 March 2024. There were no unresolved complaints received by the management from employees during the year.

The company is an equal opportunity employer. It gives equal access to employment 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, tribe, religion and disability which does not impair ability to discharge duties.

Employees benefit plan:

The company pays contributions to publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan. The company's obligations in respect of these contributions are limited to 10% of the employees’ monthly gross salaries.

10. Political and charitable donations

The company did not make any donations during the year.

11. Going concern

We draw attention to the fact that as at 31 March 2025, the company had accumulated losses of TZS 2,800,382,000 and that the company's total liabilities exceeded its total assets by TZS 2,300,382,000. The board of directors confirm that applicable accounting standards have been followed and that 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.

Financial year ended 2024-25 has been the sixth year of operations of the company. The company has moved to direct selling approach during the year by discontinuing previous intermediary channel partner route. This strategic movecontributed for aggressive market penetration, enhanced brand image and better margins. Volume and demand curve, brand awareness and product goodwill has improved.

The management is in further action plan towards strengthening production process in order to more efficiently cater the raised-up demand and ensure superior customer service.

12. 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.

13. Auditors

Mehta & Associates have expressed their willingness to continue in the office and are eligble for reappointment. A resolution proposing the reappointment of Mehta & Associates as auditors of the company will be put to the Annual General Meeting.

The annual report and financial statements set out on pages 11 to 36, which have been prepared on the going concern basis, were approved by the board of directors on 8 May 2025, and were signed on its behalf by:

Approval of annual report and financial statements

AJAY KUMAR SARAOGI
Digitally signed by AJAY KUMAR SARAOGI
Date: 2025.05.09 09:32:47 +05'30'

Amit Kothari	**Ajay Kumar Saraogi**
Director	**Director**
Thursday, 8 May 2025	**Thursday, 8 May 2025**

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Tanzanian Companies Act 2002 to maintain adequate accounting records and are responsible for the content and integrity of the annual report and financial statements and related financial information included in this report. It is their responsibility to ensure that the annual report and 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 Standards. The external auditors are engaged to express an independent opinion on the annual report and financial statements.

The annual report and financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements 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 annual report and financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors aknowledge that they are responsible for establishing approporiate policies and procedures to prevent non - compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2026 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual report and financial statements. The annual report and financial statements have been examined by the company's external auditors and their report is presented on pages 8 to 10.

The annual report and financial statements set out on pages 11 to 36, which have been prepared on the going concern basis, were approved by the board of directors on 8 May 2025 and were signed on their behalf by:

Approval of financial statements

AJAY KUMAR SARAOGI
Digitally signed by AJAY KUMAR SARAOGI
Date: 2025.05.09 09:33:11 +05'30'

Amit Kothari	**Ajay Kumar Saraogi**

INDEPENDENT AUDITOR'S REPORT

To the members of JK White Cement (Africa) Limited

Report on the Audit of the Annual Report And Financial Statements

Opinion

We have audited the annual report and financial statements of JK White Cement (Africa) Limited (the company) set out on pages 11 to 34, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual report and financial statements, including a summary of significant accounting policies.

In our opinion,except for the matter described in the basis for opinion, the annual report and financial statements present fairly, in all material respects, the financial position of JK White Cement (Africa) Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzanian 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 annual report and 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 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual report and 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.In common with many businesses of similar size and organization, the system of internal control is dependent upon the close involvement of the management. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the management that all the transactions have been complied with regulatory bodies, correctly reflected in the accounting records and adequately supported by relevant third-party documents.

Material uncertainty related to going concern

We draw attention to note 23 in the annual report and financial statements, which indicates that the company made a net profit of TZS1,112,907,000 during the year ended 31 March 2025 and, as of that date, the company's total liabilities exceeded its total assets by TZS2,300,382,000. As stated in note 23, these events or conditions, along with other matters as set forth in note 23, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "JK White Cement (Africa) Limited annual report and financial statements for the year ended 31 March 2025", which includes the Directors' Report, the Statement of Directors' Responsibilities and Approval and the Declaration of the Head of Accounts as required by the Tanzanian Companies Act 2002 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the annual report and financial statements and our auditor's report thereon.

Our opinion on the annual report and 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 annual report and financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual report and 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Annual Report And Financial Statements

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

In preparing the annual report and 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 Annual Report And Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual report and 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 annual report and financial statements.

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

- Identify and assess the risks of material misstatement of the annual report and 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 annual report and 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 annual report and financial statements, including the disclosures, and whether the annual report and 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

As required by the Companies Act 2002 we report to you, based on our audit, that:

INDEPENDENT AUDITOR'S REPORT

- 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;
- in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- the company's statement of financial position and statement of profit and loss are in agreement with the accounting records of the company.

Mehta & Associates
Certified Public Accountants

MEHTA
&ASSOCIATES
Certified Public Accountants
P. O. Box 75303, Dar es Salaam

Signed by: Kalpesh Mehta
Partner
Mehta and Associates
Member firm of Integra International

NBAA Membership No: ACPA 1916

8 May 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Note(s)	2024-25 TZS '000	2023-24 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	2	40,256	63,551
Right-of-use assets	17	-	372,583
Deferred tax	13	215,134	-
		255,390	**436,134**
Current Assets			
Inventories	4	5,576,141	868,518
Trade and other receivables	5	3,646,223	1,323,760
Cash and cash equivalents	6	731,927	883,268
		9,954,291	**3,075,546**
Total Assets		**10,209,681**	**3,511,680**
Equity and Liabilities			
Equity			
Share capital	7	500,000	500,000
Retained income		(2,800,382)	(3,913,290)
		(2,300,382)	**(3,413,290)**
Liabilities			
Non-Current Liabilities			
Borrowings	8	481,913	462,388
Lease liabilities	17&18	-	359,147
		481,913	**821,535**
Current Liabilities			
Trade and other payables	9	12,002,707	5,988,790
Lease liabilities	17&18	-	80,548
Current tax payable	10	21,416	34,097
Bank overdraft	6	4,027	-
		12,028,150	**6,103,435**
Total Liabilities		**12,510,063**	**6,924,970**
Total Equity and Liabilities		**10,209,681**	**3,511,680**

The annual report and financial statements and the notes on pages 3 to 36, were approved by the board of directors on the 8 May 2025 and were signed on its behalf by:

AJAY KUMAR SARAOGI Digitally signed by AJAY KUMAR SARAOGI Date: 2025.05.09 09:33:48 +05'30'

Amit Kothari **Ajay Kumar Saraogi**

The accounting policies on pages 15 to 25 and the notes on pages 26 to 34 form an integral part of the annual report and financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2024-25 TZS '000	2023-24 TZS '000
Revenue	14	29,738,596	17,981,106
Cost of sales		(23,369,325)	(14,844,530)
Gross profit		**6,369,271**	**3,136,576**
Other operating income		17,067	-
Other operating gains (losses)	15	(17,344)	330
Other operating expenses		(5,324,447)	(4,560,067)
Operating profit (loss)		**1,044,547**	**(1,423,161)**
Finance costs	20	(57,929)	(63,743)
Profit (loss) before taxation		**986,618**	**(1,486,904)**
Taxation	12	126,289	(89,906)
Profit (loss) for the year		**1,112,907**	**(1,576,810)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**1,112,907**	**(1,576,810)**

The accounting policies on pages 15 to 25 and the notes on pages 26 to 34 form an integral part of the annual report and financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital TZS '000	Retained income TZS '000	Total equity TZS '000
Balance at 1 April 2023	**500,000**	**(2,336,480)**	**(1,836,480)**
Loss for the period	-	(1,576,810)	(1,576,810)
Other comprehensive income	-	-	-
Total comprehensive Loss for the period	**-**	**(1,576,810)**	**(1,576,810)**
Balance at 1 April 2024	**500,000**	**(3,913,289)**	**(3,413,289)**
Profit for the year	-	1,112,907	1,112,907
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**1,112,907**	**1,112,907**
Balance at 31 March 2025	**500,000**	**(2,800,382)**	**(2,300,382)**
Note(s)	7		

The accounting policies on pages 15 to 25 and the notes on pages 26 to 34 form an integral part of the annual report and financial statements.

STATEMENT OF CASH FLOWS

	Note(s)	2024-25 TZS '000	2023-24 TZS '000
Cash flows from operating activities			
(Loss) profit before taxation		986,618	(1,486,904)
Adjustments for:			
Depreciation and amortisation		18,125	16,661
(Gains) losses on disposals of assets		17,344	(330)
Finance costs		57,929	63,743
Depreciation on Right-of-use asset		85,121	117,729
Changes in working capital:			
Inventories		(4,707,623)	137,396
Trade and other receivables		(2,322,463)	(737,838)
Trade and other payables		6,013,926	2,520,352
Cash (used in) generated from operations		**148,977**	**630,809**
Finance costs		(57,929)	(63,743)
Tax paid	11	(101,526)	(67,502)
Net cash from operating activities		**(10,478)**	**499,564**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(20,798)	(39,549)
Sale of property, plant and equipment	2	8,624	1,088
Termination of Right-of-use asset	2	287,452	-
Net cash from investing activities		**275,278**	**(38,461)**
Cash flows from financing activities			
Movement in borrowings		19,525	52,107
Movement on lease liabilities		(439,695)	(82,669)
Net cash from financing activities		**(420,170)**	**(30,562)**
Total cash movement for the year		**(155,370)**	**430,541**
Cash at the beginning of the year		883,268	452,723
Total cash at end of the year	6	**727,900**	**883,264**

The accounting policies on pages 15 to 25 and the notes on pages 26 to 34 form an integral part of the annual report and financial statements.

Corporate information

JK White Cement (Africa) Limited is a private limited company incorporated and domiciled in United Republic of Tanzania.

The annual report and financial statements for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 8 May 2025.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual report and financial statements are set out below.

1.1 Basis of preparation

The annual report and financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual report and financial statements and the Tanzanian Companies Act 2002.

The annual report and financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in notes.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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 year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Rate (%)
Furniture and fixtures	Diminishing balance	12.5
Office equipment	Diminishing balance	37.5
Computers & peripherals	Diminishing balance	37.5

1.2 Property, plant and equipment (continued)

Leasehold improvements	Straight line	20

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 22 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1.3 Financial instruments (continued)

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 22).

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 5.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note).

1.3 Financial instruments (continued)

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 22 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Tanzanian Shilling equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 22).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.3 Financial instruments (continued)

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.4 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.4 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

1.5 Leases (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However as an exception to the preceding paragraph, the company has elected not to separate the non-lease components for leases of land and buildings.

Details of leasing arrangements where the company is a lessee are presented in note 17 Leases (company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 17).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 20).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

1.5 Leases (continued)

- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.6 Inventories (continued)

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 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 paid vacation leave 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.

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.

1.10 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.11 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:
- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

Cost of sales is reduced by the amount recognised in inventory as a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual report and financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

2. Property, plant and equipment

	2024-25			2023-24		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	35,639	(18,086)	17,553	38,040	(15,447)	22,593
Leasehold Improvement	-	-	-	17,351	(3,677)	13,674
Office equipment	26,792	(12,328)	14,464	25,209	(8,528)	16,681
IT equipment	44,580	(36,341)	8,239	38,735	(28,132)	10,603
Total	**107,011**	**(66,755)**	**40,256**	**119,335**	**(55,784)**	**63,551**

Reconciliation of property, plant and equipment - 2024-25

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	22,593	-	(2,401)	(2,639)	17,553
Leasehold Improvements	13,674	-	(9,958)	(3,716)	-
Office equipment	16,681	14,953	(13,536)	(3,634)	14,464
IT Equipment	10,603	5,845	(73)	(8,136)	8,239
	63,551	**20,798**	**(25,968)**	**(18,125)**	**40,256**

Reconciliation of property, plant and equipment - 2023-24

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	25,224	-	-	(2,631)	22,593
Leasehold Improvements	-	17,351	-	(3,677)	13,674
Office equipment	5,573	14,468	(139)	(3,221)	16,681
Computers & Peripherals	10,624	7,730	(619)	(7,132)	10,603
	41,421	**39,549**	**(758)**	**(16,661)**	**63,551**

3. Intangible assets

	2024-25			2023-24		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	-	-	-	8,663	(8,663)	-

4. Inventories

Inventories	5,467,991	764,948
Goods in transit	108,150	103,570
	5,576,141	**868,518**

	2024-25 TZS '000	2023-24 TZS '000

5. Trade and other receivables

Financial instruments:		
Trade receivables	1,617,547	986,378
Deposits	11,402	13,091
Advance to Suppliers	1,293,426	-
Non-financial instruments:		
VAT	603,847	-
Prepayments	120,001	324,291
Total trade and other receivables	**3,646,223**	**1,323,760**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	731,927	883,268
Bank overdraft	(4,027)	-
	727,900	**883,268**
Current assets	731,927	883,268
Current liabilities	(4,027)	-
	727,900	**883,268**

7. Share capital

Authorised		
20,000 Ordinary shares of 100,000 each	2,000,000	2,000,000
Issued		
5,000 Ordinary Shares of TZS 100,000 each	500,000	500,000

8. Borrowings

Held at amortised cost		
JK Cement Works (Fujairah) FZC	481,913	462,388

Split between non-current and current portions

Non-current liabilities	481,913	462,388

These include unsecured loans from the shareholder, JK Cement Works (Fujairah) FZC to finance the working capital requirements of the company.

	2024-25 TZS '000	2023-24 TZS '000

8. Borrowings (continued)

US$ 150,000 loan advanced on 01 October 2019 is chargeable at the interest rate of 7% per annum, compounded annually. US$ 65,000 loan advanced on 11 March 2020 is chargeable at the interest rate of 7% per annum, compounded annually.

US$ 150,000 loan is repayable in 3 years, in 4 equal instalments commencing 31 December 2021.

US$ 65,000 loan is repayable in 3 years and 10 months, in 5 equal instalments commencing 31 December 2022.

9. Trade and other payables

	2024-25 TZS '000	2023-24 TZS '000
Financial instruments:		
Trade payables	9,421,314	5,408,973
Accrued Audit Fees	-	15,629
Accrued Expenses	2,056,432	416,567
Non-financial instruments:		
Amounts received in advance	524,961	67,657
VAT	-	79,964
	12,002,707	**5,988,790**

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

10. Current tax payable (recoverable)

	2024-25 TZS '000	2023-24 TZS '000
Opening balance	34,097	11,693
Tax charge recognised in profit or loss	88,845	89,906
Provision tax paid during the year	(101,526)	(67,502)
	21,416	34,097

11. Tax paid

	2024-25 TZS '000	2023-24 TZS '000
Balance at beginning of the year	(34,097)	(11,693)
Current tax for the year recognised in profit or loss	(88,845)	(89,906)
Balance at end of the year	21,416	34,097
	(101,526)	**(67,502)**

		2024-25 TZS '000	2023-24 TZS '000

12. Taxation

Major components of the tax expense (income)

		2024-25 TZS '000	2023-24 TZS '000
Current			
Current Tax		88,845	89,906
Deferred			
Deferred tax		(215,134)	-
		(126,289)	**89,906**

13. Deferred tax

Deferred tax asset

		2024-25 TZS '000	2023-24 TZS '000
Deferred tax asset		215,134	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

		2024-25 TZS '000	2023-24 TZS '000
Deferred tax asset		215,134	-

14. Revenue

		2024-25 TZS '000	2023-24 TZS '000
Revenue from contracts with customers			
Revenue		29,738,596	17,981,106

15. Other operating gains (losses)

		2024-25 TZS '000	2023-24 TZS '000
Gains (losses) on disposals/scrapping			
Property, plant and equipment	2	(17,344)	330

16. Employee costs

		2024-25 TZS '000	2023-24 TZS '000
Employee costs			
Gross Salary		723,077	671,533
NSSF Employer's Contribution		74,224	60,488
Medical Benefits		111,719	91,392
Workers compensation fund		3,711	3,024
Skills & development levy		30,659	25,173
		943,390	**851,610**

17. Leases (company as lessee)

The Lease agreement with FMJ Hardware has been terminated in the month of December 2024 and hence the ROU Asset and the corresponding Lease Liability have been reversed during the quarter ended 31st Dec 2024.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

	2024-25 TZS '000	2023-24 TZS '000

17. Leases (company as lessee) (continued)

Net carrying amounts of right-of-use assets

The company entered into a lease arrangement with a third party for a period ranging to five years expiring in September 2027, The lease has been accounted for in accordance with the provisions of IFRS 16. However, as stated above, the Lease agreement with FMJ Hardware has been terminated in the month of December 2024 and hence the ROU Asset and the corresponding Lease Liability have been reversed during the quarter ended 31st Dec 2024.The carrying amounts of right-of-use assets are included in the following line items:

	2024-25	2023-24
Buildings	-	372,583

18. Lease liabilities

	2024-25	2023-24
Non-current liabilities	-	359,147
Current liabilities	-	80,548
	-	**439,695**

19. Depreciation, amortisation and impairment losses

	2024-25	2023-24
Depreciation		
Property, plant and equipment	18,125	16,661
Impairment losses		
Right-of-use assets	85,121	117,729
Total depreciation, amortisation and impairment		
Depreciation	18,125	16,661
Amortization of Right-of-use asset	85,121	117,729
	103,246	**134,390**

20. Finance costs

	2024-25	2023-24
Interest on Loan from Shareholders	37,965	30,121
Finance Cost on Lease liabilities	19,964	33,622
Total finance costs	**57,929**	**63,743**

	2024-25 TZS '000	2023-24 TZS '000

21. Related parties

Relationships	
Holding Company	JK Cement Works (Fujairah) FZC
Group Company	JK Cement Limited
Members of key management	Ajay Kumar Saraogi (Director)
	Amit Kothari (Director)
	Tushar Sawhney (Director)
	Raghavpat Singhania (Director)
	Manish Srivastava (Head of operations)

Related party balances

	2024-25	2023-24
Loan accounts - Owing (to) by related parties		
JK Cement Works (Fujairah) - FZC	(481,913)	(462,388)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
JK Cement Works (Fujairah) FZC	(5,919,581)	(2,478,781)
Whitemaxx Kenya	(993,003)	(1,879,039)
Amount included in Inventory		
White Maxx Kenya	146,100	-
JK Cement Works (Fujairah) - FZC	2,074,368	345,715

Related party transactions

	2024-25	2023-24
Interest paid to (received from) related parties		
JK Cement Works (Fujairah) FZC	31,684	30,121
Purchases from (sales to) related parties		
JK Cement Works (Fujairah) FZC	7,977,835	2,841,946
WhitemaxX Kenya	2,771,004	4,115,190
JK Cement Works (Fujairah) FZC - Goods in transit	-	103,569

	2024-25 TZS '000	2023-24 TZS '000

22. Financial instruments and risk management

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

The maximum exposure to credit risk is presented in the table below:

2024-25 TZS '000
2023-24 TZS '000

22. Financial instruments and risk management (continued)

		2024-25			2023-24		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	5	2,922,375	-	2,922,375	999,469	-	999,469
Cash and cash equivalents	6	731,927	-	731,927	883,268	-	883,268
		3,654,302	**-**	**3,654,302**	**1,882,737**	**-**	**1,882,737**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at reputable banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2024-25

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Borrowings	8	-	481,913	481,913	481,913
Current liabilities					
Trade and other payables	18	11,477,750	-	11,477,750	11,477,750
Bank overdraft	6	4,027	-	4,027	4,027
		(11,481,777)	**(481,913)**	**(11,963,690)**	**(11,963,690)**

2023-24

		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Borrowings	8	-	-	462,388	462,388	462,388
Lease liabilities	18	-	359,147	-	359,147	359,147

	2025 TZS '000	2024 TZS '000

22. Financial instruments and risk management (continued)

Current liabilities						
Trade and other payables	9	5,841,164	-	-	5,841,164	5,841,164
Lease liabilities	18	80,548	-	-	80,548	80,548
		(5,921,712)	**(359,147)**	**(462,388)**	**(6,743,247)**	**(6,743,247)**

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily is US Dollars.

23. Going concern

We draw attention to the fact that at 31 March 2025, the company had accumulated losses of TZS (2,800,382,000) and that the company's total liabilities exceed its assets by TZS (2,300,382,000).

The board of directors confirm that applicable accounting standards have been followed and that 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. Financial year ended 2024-25 has been the sixth year of operations of the company. The company has moved to direct selling approach during the year by discontinuing previous intermediary channel partner route. This strategic move contributed for aggressive market penetration, enhanced brand image and better margins. Volume and demand curve, brand awareness and product goodwill has improved. The management is in further action plan towards strengthening production process in order to more efficiently cater the raised-up demand and ensure superior customer service.

24. Contingencies

The directors are not aware of any contingent liability at the reporting date and up to the date of this report.

25. Events after the reporting period

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

26. Comparative figures

Where necessary comperative figure have been reclassified to conform with changes in presentation in the current year.

DETAILED INCOME STATEMENT

	Note(s)	2024-25 TZS '000	2023-24 TZS '000
Revenue			
Sale of goods		29,738,596	17,981,106
Cost of sales			
Opening stock		(868,518)	(1,005,914)
Purchases & direct expenses		(28,076,948)	(14,707,134)
Closing stock		5,576,141	868,518
		(23,369,325)	**(14,844,530)**
Gross profit		**6,369,271**	**3,136,576**
Other operating income			
Write back of Lease Liability		17,067	-
Other operating gains (losses)			
Gains (losses) on disposal of assets		(17,344)	330
Other operating expenses			
Advertisement other than Sales Promotion		(53,382)	(73,307)
Amortization on Right-of-use asset		(85,121)	(117,729)
Application Fees		(20,204)	(425)
Auditors remuneration - external auditors		(12,163)	(18,698)
Bank charges		(25,032)	(27,074)
Brela fees		(1,398)	(2,493)
Business Meetings		(45,311)	(27,596)
Car Hire Expenses		(38,506)	(19,874)
City service levy		(89,157)	(53,943)
Communication Expenses		(31,278)	(20,406)
Computer Expenses		(13,687)	(13,873)
Conference Meeting		-	(1,258)
Consulting and professional fees		(277,021)	(186,605)
Conveyance		(72,770)	(56,486)
Depreciation		(18,125)	(16,661)
Disallowed VAT Expense		(3,551)	-
EFD Machine		(2,736)	(400)
ERP expenses		(14,871)	(16,545)
Employee costs		(943,390)	(851,610)
Fines and penalties		-	(1,357)
Forex Loss		(381,558)	(864,046)
Insurance		(15,004)	(7,330)
Lease Rentals on Operating Lease		(23,171)	(23,713)
License fees		(2,640)	(24,643)
Membership Fees		(3,500)	(3,500)
Office running and upkeeping		(42,975)	(37,020)
Parking		(6,237)	(5,918)
Printing and stationery		(13,888)	(9,819)
Rates and Taxes		(31,363)	(42,084)
Round off		278	(1,289)
Sales Promotion Expenses		(941,011)	(350,378)
Sales Promotion Incentive		(925,371)	(876,334)

DETAILED INCOME STATEMENT

	Note(s)	2024-25 TZS '000	2023-24 TZS '000
Sample Expenses		(7,260)	(821)
Security		(25,131)	(8,255)
Stamp Duty		(1,187)	-
Training expenses		(8,620)	(5,310)
Transactional Costs		(132,746)	(94,434)
Transport expenses		(908,231)	(554,258)
Travelling Expenses		(107,129)	(144,575)
		(5,324,447)	**(4,560,067)**
Operating profit (loss)		**1,044,547**	**(1,423,161)**
Finance costs	20	(57,929)	(63,743)
Profit (loss) before taxation		**986,618**	**(1,486,904)**
Taxation	12	126,289	(89,906)
Profit (loss) for the year		**1,112,907**	**(1,576,810)**