

ALLCARGO TANZANIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

CONTENTS	PAGE
Company information	1
Report of the directors	2 - 6
Statement of directors' responsibilities	7
Declaration of the head of finance	8
Report of the independent auditor	9 - 11
Financial statements:	
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes	16 - 30
The following page does not form an integral part of these financial statements	
Schedule of expenditure	31

COMPANY INFORMATION

BOARD OF DIRECTORS	:	Amjad Ahmed Shaikh	Nationality
	:	Rahul Rai	Indian
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	:	4th Floor FNB House	
	:	Plot No. 1008/1 & 1008/2	
	:	Ohio Street	
	:	P.O. Box 25304	
	:	Dar es Salaam	
INDEPENDENT AUDITOR	:	Tanzania	
	:	PKF Associates Tanzania	
	:	P.O. Box 7323	
	:	Dar es Salaam	
	:	Tanzania	
COMPANY SECRETARY	:	Asha Hamisi Mgembe	
	:	Breakthrough Attorneys	
	:	Corporate Secretarial Department	
	:	66 BTA Umoja House Street	
	:	Plot No. 331/00, Msasani Road	
	:	P. O. Box 72838	
	:	Dar es Salaam	
PRINCIPAL BANKER	:	Tanzania	
	:	Stanbic Bank Tanzania Limited	
	:	Corner Ali Hassan Mwinyi/ Kinondoni Road	
	:	P.O. Box 72647	
	:	Dar es Salaam	
	:	Tanzania	

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of the company.

INCORPORATION

Allcargo Tanzania Limited is a private company limited by shares. It was registered in the United Republic of Tanzania on 2 January 2023 through Certificate of Incorporation number 162337637.

PRINCIPAL ACTIVITY

The principal activity of the company is the Cargo Consolidation and Deconsolidation.

CAPITAL STRUCTURE

	2024 Tshs	2023 Tshs
Authorised and issued:		
1,000 ordinary shares of Tshs 15,000 each	15,000,000	15,000,000

SHAREHOLDING

	% of holding	No of shares held	2024 Tshs
Allcargo Belgium N.V	75%	750	11,250,000
Josephine Siyamaria Mbuya	25%	250	3,750,000
	100%	1,000	15,000,000

BUSINESS REVIEW

During the year 2024 the revenue of the company increased to 5,742,114,668 from 234,248,408 in 2023. This was mainly attributed to the full year reporting period (12 months) compared to the previous year. The profit before tax during the period was Tshs 625,534,399.

As at 31 December 2024, the net asset position of the company was Tshs 135,726,000 compared to 210,023,454 as at 31 December 2023.

Key performance indicators

	2024	2023
Turnover (Tshs)	5,742,114,665	234,248,408
Gross profit (Tshs)	1,471,514,164	61,059,502
Gross profit margin (%)	26%	26%
Profit/(loss) for the year (Tshs)	427,371,660	(55,579,766)
Net profit margin (%)	7%	-24%
Net equity (Tshs)	15,000,000	(40,579,766)
Return on capital employed (%)	4526%	170%

PRINCIPAL RISKS AND UNCERTAINTIES

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the company's services. The company's strategic focus is to enhance sales growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions.

The current risks and uncertainties facing the company is unpredictable statutory increase in minimum labour costs.

In addition to the business risk discussed above, the company's activities expose it to a number of risks which are described below:

Cash flow and foreign currency risk

The company's sales are in both currency usd and local currency (Tshs) but, the purchases of services are in foreign currency. Concerning the purchases the company is exposed to currency risk. However, this risk is managed through appropriate operational offset of open receivable and payable foreign currency positions.

Credit risk

The company's principal financial assets are cash and bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a number of counterparties.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company monitors its need for cash on a regular basis and takes appropriate action through financing arrangements with its lenders.

CORPORATE GOVERNANCE

The Board consists of two directors. The Board takes overall responsibility for the company, including the responsibility for identifying key risk areas, considering and monitoring investment decisions, and 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 and procedures are operative and in compliance with sound corporate governance principles.

The Board regularly met during the year. The board delegates the day to day management of the business to the branch Manager assisted by Senior management. The Managing Director and Senior management are invited to attend board meetings and facilitate the effective control of the company's operational activities, acting as a medium of communication and coordination between the various business units.

REPORT OF THE DIRECTORS (CONTINUED)

CORPORATE GOVERNANCE (CONTINUED)

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

SOLVENCY AND GOING CONCERN

The company's state of affairs is set out on page 13 of the financial statements. The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of directors has reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and employees' relationship

There were continued good relations between employees and management during the year ended 31 December 2024.

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, tribe, religion and disability which does not impair ability to discharge duties.

Training facilities

The company provides on-the-job training to all its employees in order to improve their technical skills and effectiveness. Where necessary, employees are also considered for external training courses that upgrade skills and enhance development.

Health and safety

A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training and assistance is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible and practical, be identical to that of other employees.

Employees benefit plan

The company pays contributions to the National Social Security Fund, which is a publicly administered mandatory defined benefits plan. Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training and assistance is arranged. It is the policy of the company that training, career development and promotion of disabled persons should, as far as possible and practical, be identical to that of other employees.

REPORT OF THE DIRECTORS (CONTINUED)

RELATED PARTY

Details of related party transactions and balances are shown in note 16 of the notes to the financial statements.

SUBSEQUENT EVENTS

No material events or circumstances have arisen between the accounting date and the date of this report that require either disclosure or adjustment to the financial statements.

ACCOUNTABILITY AND AUDIT

Full disclosure

The Board recognizes its responsibility to present a balanced and understandable assessment of the Company's financial position and prospects. Financial information is prepared using appropriate accounting policies, which are applied consistently. The Board also discloses to shareholders any information that would materially affect the value of their investments and/or earnings. This assessment is provided in the directors' report and the audited financial statements forming part of this report.

Audit and shareholder relations

The company's financial statements are prepared in accordance with IFRS for SMEs Accounting Standard and in the manner required by the Tanzania Companies Act, 2002 and are audited in accordance with International Standards on Auditing. The Directors recognize and have confirmed their responsibility over the financial statements. All shareholders are invited to the Annual General Meeting and are free to put questions to the Board and the Auditors on matters concerning operations and the statement of the company.

During the year ended 31 December 2024, there were no serious prejudicial matters to report as required by the Tanzania Financial Reporting Standard No.1 (TFRS 1) on Directors' report.

STATEMENT OF COMPLIANCE

The Directors' Report has been prepared in full compliance with Tanzania Financial Reporting Standard No.1 (TFRS 1) on Report by those charged with Governance.

DIVIDEND

On 31 December 2024 in respect of the year ended 31 December 2024, the Directors proposed a dividend for the year of TZS 371,792 per share equivalent to a total TZS 371,791,894. (2023: nil).

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- (a) there is, so far as the person is aware, no relevant audit information of which the company's auditor is unaware; and

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR (CONTINUED)

- (b) the person has taken all the steps that the person ought to have taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Associates Tanzania, was appointed during the year and has expressed willingness to continue in office in accordance with the company's Articles of Association and Section 170 of the Tanzania Companies Act, 2002. The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fee.

RESPONSIBILITY OF THE AUDITOR

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

BY ORDER OF THE BOARD

Approved by the board of directors on 28/06/ 2025 and signed on its behalf by:


Amjad Ahmed Shaikh
Director

Dar es Salaam


Rahul Rai
Director

Dar es Salaam

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Tanzania Companies Act, 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with the IFRS for SMEs Accounting Standard and the requirements of the Tanzania Companies Act, 2002. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with the International the IFRS for SMEs Accounting Standard and in the manner required by the Tanzania Companies Act, 2002. They also accept responsibility for:

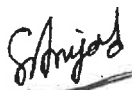
- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies; and
- iii. Making accounting estimates and judgements that are reasonable in the circumstances;

The Directors confirm that the financial statements give a true and fair view of the financial position of Allcargo Tanzania Limited for the year ended 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Tanzania Companies Act, 2002.

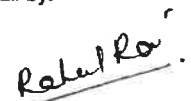
In preparing these financial statements the directors have assessed the company's ability to continue as a going concern as set out in Note 2(a) to the financial statements. The directors are of the opinion that the company will remain a going concern for at least the next twelve months from the date of this statement based on the factors described in Note 2(a).

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 28/06/ 2025 and signed on its behalf by:



Amjad Ahmed Shaikh
Director



Rahul Rai
Director

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

DECLARATION OF THE HEAD OF FINANCE OF ALLCARGO TANZANIA LIMITED

The National Board of Accountants and Auditors (NBAA) according to the powers conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with the IFRS for SMEs Accounting Standard and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Directors Responsibility statement on the page 7.

In regard thereof, I, RASHIDI SEJEMANI..... being the Head of Finance of Allcargo Tanzania limited hereby acknowledge my responsibility of ensuring that the company's financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Allcargo Tanzania limited as on that date and that they have been prepared based from properly maintained financial records.

Signed by: 

Position: FINANCE & HR MANAGER

NBAA Membership No: ACPA 6266

Date: 27/06/2025



PKF Associates Tanzania
Girl Guides Building, 1st Floor of Tower B, Plot
No. 1088 Kibasila Street, Upanga,
P.O. Box 7323,
Dar es salaam, Tanzania.

+255 022 2152501, +255 022 2152503, +255 022
2152504

Email: pkftz@pkfea.co.tz
www.pkfea.com

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ALLCARGO TANZANIA LIMITED

Opinion

We have audited the financial statements of Allcargo Tanzania Limited set out on pages 12 to 30, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies with the IFRS for SMEs® Accounting Standard.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Allcargo Tanzania Limited as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs® Accounting Standard and the Tanzania Companies Act, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the report of the directors, statement of directors responsibilities the statement of directors' responsibilities, the schedule of expenditure and any other reports that comprise the annual report but 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 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 from 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.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ALLCARGO TANZANIA LIMITED (CONTINUED)

Responsibilities of Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with the IFRS for SMEs Accounting Standard and the requirements of the Tanzania 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.

The directors are responsible for overseeing the company financial report process.

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 ISAs 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 carried out in accordance with ISAs, we exercise professional judgment 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 directors' use of the going concern basis of accounting and based on the audit evidence obtained, assess 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.



**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF ALLCARGO TANZANIA LIMITED (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 matters prescribed by the Tanzania Companies Act, 2002

In our opinion the information given in the report of the directors on pages 2 to 6 is consistent with the financial statements.

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

- (i) 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;
- (ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- (iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is:

CPA Husein Nurdin, Practising certificate No. ACPA-PP 2246

For and behalf of PKF Associates Tanzania

Certified Public Accountants

Dar es Salaam

Ref: PKF/A/A082/122/25/hn

Date: 30-06-2025

PKF ASSOCIATES TANZANIA
P.O. Box 7323
DAR-ES-SALAAM

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2024	2023
	Notes	Tshs	Restated Tshs
Revenue	3	5,742,114,665	234,248,408
Cost of sales		<u>(4,270,600,500)</u>	<u>(173,188,906)</u>
Gross profit		1,471,514,164	61,059,502
Other income		-	35,668,128
Administrative expenses		(669,419,021)	(146,203,729)
Other operating expenses		<u>(123,143,849)</u>	<u>(19,402,691)</u>
Operating profit/(loss)	5	678,951,294	(68,878,789)
Finance costs	7	<u>(53,416,896)</u>	<u>(8,846,525)</u>
Profit/(loss) before tax		625,534,398	(77,725,314)
Tax (charge)/credit	8	<u>(198,162,739)</u>	<u>22,145,548</u>
Profit/(loss) for the year		<u>427,371,660</u>	<u>(55,579,766)</u>
Other comprehensive income:		-	-
Total comprehensive income for the year		<u>427,371,660</u>	<u>(55,579,766)</u>

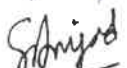
The notes on pages 16 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 11.

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024
STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2024 Tshs	2023 Restated Tshs
EQUITY			
Share capital	9	15,000,000	15,000,000
Retained earnings		-	(55,579,766)
Equity attributable to owners of the company		<u>15,000,000</u>	<u>(40,579,766)</u>
Non-current liabilities			
Borrowings	10	<u>120,726,000</u>	<u>250,603,220</u>
		<u>135,726,000</u>	<u>210,023,454</u>
REPRESENTED BY			
Non-current assets			
Deferred tax	11	13,915,793	22,145,548
Plant and equipment	12	<u>84,687,172</u>	<u>73,810,161</u>
		<u>98,602,964</u>	<u>95,955,709</u>
Current assets			
Trade and other receivables	13	1,463,074,371	308,252,276
Cash and cash equivalents	14	35,863,929	177,957,899
Tax recoverable		<u>176,078,444</u>	
		<u>1,675,016,745</u>	<u>486,210,175</u>
Current liabilities			
Borrowings	10	120,726,000	129,109,415
Trade and other payables	15	1,327,234,726	243,033,016
Current tax	11	<u>189,932,984</u>	<u>-</u>
		<u>1,637,893,709</u>	<u>372,142,430</u>
Net current assets		<u>37,123,036</u>	<u>114,067,745</u>
		<u>135,726,000</u>	<u>210,023,454</u>

The financial statements on pages 12 to 30 were approved and authorised for issue by the Board of Directors on 28/06/2025 and were signed on its behalf by:


Amjad Ahmed Shaikh
Director


Rahul Rai
Director

The notes on pages 16 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 11.

STATEMENT OF CHANGES IN EQUITY

	Share capital Tshs	Retained earnings Tshs	Total Tshs
Year ended 31 December 2024			
At start of year	15,000,000	(55,579,766)	(40,579,766)
Total comprehensive income for the year		427,371,660	427,371,660
Dividends:			
- Final for 2024 (proposed)		(371,791,894)	(371,791,894)
At end of year	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>
Year ended 31 December 2023			
At start of year	-	-	-
As previously stated	-	(99,870,862)	(99,870,862)
Prior year adjustment in respect of 2023 deferred tax wrongly debited to profit or loss (Note 22)	-	44,291,096	44,291,096
As Restated	<u>-</u>	<u>(55,579,766)</u>	<u>(55,579,766)</u>
Total comprehensive income for the year.	-	(55,579,766)	(55,579,766)
Transactions with owners:			
Issue of ordinary share capital	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>
At end of year	<u>15,000,000</u>	<u>(55,579,766)</u>	<u>(40,579,766)</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 11.

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

STATEMENT OF CASH FLOWS

Cash flows in operating activities	Notes	2024 Tshs	2023 Tshs
Profit/(loss) before tax		625,534,398	(77,725,314)
Adjustments for:			
Depreciation on plant and equipment	12	14,937,415	2,124,815
Interest expense	7	24,344,975	3,807,805
Foreign exchange currency on borrowings	7	3,826,428	3,079,330
Cash flows used in operating activities before changes in working capital		668,643,217	(68,713,365)
Changes in working capital:			
- trade and other receivables		(1,154,822,096)	(308,252,277)
- trade and other payables		1,084,201,710	243,033,016
Cash generated used in operations		(70,620,386)	(65,219,261)
Interest paid		(24,344,975)	-
Tax paid		(176,078,444)	-
Net cash from /(used in) operating activities	9	573,677,857	(133,932,625)
Cash flows from investing activities			
Cash paid for purchase of plant and equipment	12	(25,814,426)	(75,934,976)
Net cash used in investing activities		(25,814,426)	(75,934,976)
Cash flows from financing activities			
Issue of ordinary shares		-	15,000,000
Proceeds from borrowings	10	114,158,646	372,825,500
Repayments of borrowings	10	(256,245,709)	-
Dividends paid:			
- ordinary shareholders		(371,791,893)	-
Net cash (used in)/ generated from financing activities		(513,878,956)	387,825,500
(Decrease)/increase in cash and cash equivalents		(142,093,970)	177,957,899
Movement in cash and cash equivalents			
At start of year		177,957,899	-
(Decrease)/increase in cash and cash equivalents		(142,093,970)	177,957,899
At end of the year	14	35,863,929	177,957,899

The notes on pages 16 to 30 form an integral part of these financial statements.

Report of the independent auditor - pages 9 to 11.

NOTES

1) General Information

Allcargo Tanzania Limited is a private company limited by shares. It was registered in the United Republic of Tanzania on 2 January 2023 through Certificate of Incorporation number 162337637. The address of its registered office and its principal place of business is in 4th Floor FNB House, Plot No. 1008/1 & 1008/2, Ohio Street, P.O. Box 25304, Dar es Salaam - Tanzania.

2) Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB) and are consistent with the previous period.

The financial statements have been prepared under the historical cost convention, except for property, plant and equipment which are measured at a fair value.

The preparation of financial statements in conformity with the IFRS for SMEs Accounting Standard the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 2 (b).

These financial statements comply with the requirements of the Tanzania Companies Act, 2002. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

Going concern

The financial performance of the company is set out in the report of the directors and in the statement of profit or loss and other comprehensive income. The financial position of the company is set out in the statement of financial position. Disclosures in respect of principal risks and uncertainties are included within the report of the directors.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

The company's shareholders have confirmed that they will continue providing financial support to the company for its working capital requirements for the foreseeable future, and shall not demand repayment of amounts owed for the period of 12 months from the date of approval of these financial statements. As such, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

NOTES (CONTINUED)

2) Significant accounting policies (continued)

b) Key sources of estimation uncertainty and judgements (continued)

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Useful lives, depreciation methods and residual values of plant and equipment accounted for using the cost model.

Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment accounted for using the cost model on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of plant and equipment are disclosed in note 12.

- Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DC) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of plant and equipment is disclosed in note 12.

- Impairment of trade and other receivables

The company reviews its portfolio of trade and other receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected. The carrying amount of trade and other receivables is disclosed in note 13.

- Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in Note 11.

c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and/or performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts.

NOTES (CONTINUED)

2) Significant accounting policies (continued)

c) Revenue recognition (continued)

The company recognises revenue when: the amount of revenue as well as the cost incurred or to be incurred in respect of a transaction can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Sales of services are recognised upon performance of the services rendered by reference to the stage of completion of the service contract;

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

e) Plant and equipment

All plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation and any accumulated impairment losses (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation on all assets is calculated on straight line method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Motor vehicles	25.0
Electronics and computer equipment	33.3
Furniture, fittings and equipment's	12.5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

NOTES (CONTINUED)

2) Significant accounting policies (continued)

e) Plant and equipment (continued)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

f) Impairment of non-financial assets

At each reporting date, property, plant and equipment, investment property, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or cash generating unit (CGU)) 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.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to complete and sell. If an item of inventory is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

h) Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

i) Financial liabilities

Trade payables are initially recognised at the transaction price (less transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost.

NOTES (CONTINUED)

2) Significant accounting policies (continued)

j) Taxation

The tax expense for the year comprises current tax and deferred tax. Tax is recognised in the profit or loss.

Current tax

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Offsetting

An entity shall offset current tax assets and current tax liabilities, or offset deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off the amounts and the entity can demonstrate without undue cost or effort that it plans either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Value Added tax (VAT)

Expenses and assets are recognised net of the amount of VAT except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables are stated with the amount of VAT included

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

k) Share capital

Ordinary shares are classified as equity.

NOTES (CONTINUED)

2) Significant accounting policies (continued)

l) Accounting for leases

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

m) Provisions

Provisions for restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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 passage of time is recognised as interest expense.

n) Pension obligations

The company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The company's obligations under this scheme are limited to specific contribution regulated from time and currently stated at 10% of the employee's gross pay. The company's contributions are charged to the statement of comprehensive income in the year to which they relate.

o) Comparatives

There are no changes in presentation in the current year.

NOTES (CONTINUED)

	2024 Tshs	2023 Tshs
3. Revenue		
Revenue from services	<u>5,742,114,668</u>	<u>234,248,408</u>
4. Other income		
Subcontractual income	<u>-</u>	<u>35,668,128</u>
5. Operating profit/(loss)		
The following items have been charged in arriving at the operating profit /(loss):		
Depreciation on plant and equipment (Note 12)	14,937,415	2,124,815
Auditor's remuneration	9,356,935	5,763,874
Direct Costs	<u>4,270,600,500</u>	<u>173,188,906</u>
6. Staff costs		
Salaries and wages	338,872,397	36,004,516
National social security fund contributions	33,847,540	3,780,474
Workers compesantion funds	1,692,377	-
Staff medical expenses	14,569,952	-
General staff and training expenses	<u>24,656,800</u>	<u>4,569,425</u>
	<u>413,639,066</u>	<u>44,354,415</u>
7. Finance costs		
Net foreign exchange loss	29,071,921	5,038,720
Interest expense:		
- related party loan (Note 10)	<u>24,344,975</u>	<u>3,807,805</u>
	<u>53,416,896</u>	<u>8,846,525</u>
8(a). Tax		
Current tax	189,932,984	-
Deferred tax credit (Note 11)	<u>8,229,755</u>	<u>(22,145,548)</u>
Tax charge/(credit)	<u>198,162,739</u>	<u>(22,145,548)</u>
The tax on the company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:		
Profit/(loss) before tax	625,534,398	(77,725,314)
Tax calculated at a tax rate of 30% (2023:30%)	187,660,320	(23,317,594)
Tax effect of:		
- expenses not deductible for tax purpose	4,257,614	135,000
- deferred tax not recognised	<u>6,244,805</u>	<u>1,037,046</u>
Tax charge/(credit)	<u>198,162,739</u>	<u>(22,145,548)</u>

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

NOTES (CONTINUED)

	2024 Tshs	2023 Tshs
8(b). Tax recoverable		
At start of year	-	-
Current tax charge	181,355,683	-
Corporate Income tax in 2023	-	-
Provision for income tax	(181,355,683)	-
Provision tax paid	176,078,444	-
Withholding tax credit	-	-
	<u>176,078,444</u>	<u>-</u>
9. Share capital		
Authorised and issued:		
1,000 ordinary shares of Tshs 15,000 each	<u>15,000,000</u>	<u>15,000,000</u>
10. Borrowings		
The borrowings are made up as follows:		
Non-current		
Borrowings from related party (Note 16 (vi))	<u>120,726,000</u>	<u>250,603,220</u>
Current		
Borrowings from related party (Note 16 (vi))	<u>120,726,000</u>	<u>129,109,415</u>
Total borrowings	<u>241,452,000</u>	<u>379,712,635</u>
Reconciliation of liabilities arising from financing activities:		
At start of year	379,712,635	-
Interest charged to profit or loss	24,344,975	3,807,805
Foreign exchange loss	3,826,428	3,079,330
Cash flow:		
- Operating activities (interest paid)	(24,344,975)	-
- Proceeds from borrowings	114,158,646	372,825,500
-Repayments of borrowings	(256,245,709)	-
At end of period	<u>241,452,000</u>	<u>379,712,635</u>

Loan from related party - Allcargo Belgium N.V

As per the loan agreement dated 06 October 2023, Ecuhold N.V/(Allcargo Belgium N.V) signed a loan contract with Allcargo Tanzania Limited for funding of up to USD 195,000. In 2023, the company received USD 150,000 and subsequently USD 45,000 in 2024. The loan is to be used for the acquisition of plant and equipment and financing the day-to-day expenses. The loan is repayable in 3 annual equal instalments of USD 195,000 with effect from 31 December 2024 and attracts interest of 6.25% p.a.

NOTES (CONTINUED)

10. Borrowings

	2024 Tshs	2023 Tshs
6 - 12 months	120,726,000	250,603,220
1 - 3 years	120,726,000	129,109,415
	<u>241,452,000</u>	<u>379,712,635</u>

Weighted average effective interest rates at the reporting date were:

	2024 %	2023 %
Loan from related party	6.25%	6.25%

The fair values of current borrowings equal to their carrying amount, as the impact of discounting is not significant.

	2024 Tshs	2023 Tshs
--	----------------------	----------------------

The carrying amounts of the company's borrowings are denominated in US Dollar:

	2024 Tshs	2023 Tshs
	<u>241,452,000</u>	<u>379,712,635</u>

Maturity based on the repayment structure of non-current borrowings is as follows:

	2024 Tshs	2023 Tshs
Between 1 and 3 years	<u>241,452,000</u>	<u>250,603,220</u>

11. Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred tax account is as follows:

	2024 Tshs	2023 Tshs
The movement on the deferred tax account is as follows:		
At start of year	(22,145,548)	-
Charge to profit or loss (Note 8)	8,229,755	(22,145,548)
	<u>(13,915,793)</u>	<u>(22,145,548)</u>

Deferred tax (assets) and liabilities, deferred tax charge/(credit) in profit or loss are attributable to the following items:

	At start of year Tshs	Credit to profit or loss Tshs	At end of year Tshs
Deferred tax assets			
Plant and equipment			
- accelerated capital allowance	6,005,173	2,773,475	8,778,648
- provision	-	(13,972,864)	(13,972,864)
Unrealised forex gain/loss	(1,511,616)	(7,209,960)	(8,721,576)
Taxable loss carried forward	<u>(26,639,105)</u>	<u>26,639,105</u>	<u>-</u>
	<u>(22,145,548)</u>	<u>8,229,755</u>	<u>(13,915,792)</u>

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

NOTES (CONTINUED)

12. Plant and equipment

	Motor vehicles Tshs	Electronics, computer and equipment Tshs	Furniture, fittings and equipments Tshs	Total Tshs
31 Decemeber 2024				
Cost				
At start of year	41,648,850	8,951,888	25,334,237	75,934,976
Reclassification	-	3,050,000	- 3,050,000	-
Additions	2,665,254	22,889,172	260,000	25,814,426
At end of year	44,314,104	34,891,060	22,544,237	101,749,402
Accumulated depreciation				
At start of year	867,684	372,995	884,135	2,124,815
Charge for the year	5,538,426	4,856,208	4,542,782	14,937,415
At end of year	6,406,110	5,229,203	5,426,917	17,062,230
Net carrying amount	<u>37,907,994</u>	<u>29,661,857</u>	<u>17,117,321</u>	<u>84,687,172</u>
31 December 2023				
Cost				
At start of period	-	-	-	-
Additions	41,648,850	8,951,888	25,334,237	75,934,976
At end of period	41,648,850	8,951,888	25,334,237	75,934,976
Accumulated depreciation				
At start of period	-	-	-	-
Charge for the period	867,684	372,995	884,135	2,124,815
At end of period	867,684	372,995	884,135	2,124,815
Net carrying amount	<u>40,781,166</u>	<u>8,578,893</u>	<u>24,450,102</u>	<u>73,810,161</u>

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

NOTES (CONTINUED)

	2024 Tshs	2023 Tshs
13. Trade and other receivables		
Trade receivables	580,147,047	41,174,036
Less: impairment provisions	(24,775,812)	-
Net trade receivables	555,371,235	41,174,036
VAT receivable	-	16,509,552
Prepayments	9,332,764	14,277,619
Advance to supplier	57,663,707	25,867,482
Other receivables	237,652,814	122,345,583
Accrued income	422,689,052	-
Receivable from related party (Note 16 (iii))	176,614,779	84,327,984
Amount due from shareholders (note 16 (iv))	3,750,020	3,750,020
	<u>1,463,074,371</u>	<u>349,426,312</u>
14. Cash and cash equivalents		
Cash at bank	33,863,929	176,428,635
Cash in hand	2,000,000	1,529,264
	<u>35,863,929</u>	<u>177,957,899</u>
For the purposes of statement of cashflows, the year end cash and cash equivalents comprise the above.		
15. Trade and other payables		
Trade payables	203,859,884	5,031,211
VAT payables	5,089,733	-
Accruals	398,545,957	55,722,336
Deferred Income	153,581,436	119,402,123
Advance from customer	44,289,728	14,925,750
Other payables	118,555,728	26,550,056
Payable to related parties (Note 16 (v))	403,312,260	21,401,540
	<u>1,327,234,726</u>	<u>243,033,016</u>

NOTES (CONTINUED)

16. Related party transactions and balances

The company is controlled by the Allcargo Belgium N.V who owns 75% of the company's shares. The remaining 25% of shares owned by Josephine Siyamaria Mbuya. Other related parties include entities related through common directorship and/or common shareholding.

The following transactions were carried out with related parties:

i) Sales of services (other related party)

	2024 Tshs	2023 Tshs
Allcargo FCL Gurgaon IC	900,832,500	74,918,000
ECU Abidjan IC	-	11,262,500
ECU Mombasa IC	7,215,888	3,192,459
Ecu Nairobi Ic	26,533,629	-
Allcargo Kolkata Ic	185,736,750	-
Allcargo Mumbai Ic	136,085,648	-
Ecu International N.V. Inc	71,020,000	-
As Logistics Togo	55,070,784	-
Ecu Line Doha W.L.L.	49,169,701	-
Allcargo New Delhi Ic	42,343,880	-
Allcargo Ahmedabad	29,000,541	-
Ecu Cape Town Ic	7,745,950	-
Ecu Durban Ic	8,741,298	-
Ecu Port Elizabeth Ic	10,515,830	-
Ecu Worldwide (Belgium) N.V.	19,274,114	-
Allcargo Chennai Ic	11,366,971	-
Ecu - Worldwide (Singapore) Pte. Ltd.	6,439,500	-
Ecu Line Middle East Llc	4,899,096	-
Ecu Worldwide (Colombia) S.A.S.	4,118,125	-
Ecu Worldwide Italy Srl.	3,081,996	-
Ecu Worldwide Australia Pty Ltd	892,653	-
Allcargo Dubai Ic	550,000	-
Ecu Worldwide (Guangzhou) Limited	530,000	-
Ecu Worldwide Tianjin Ltd.	265,000	-
	1,581,429,854	89,372,959

Allcargo Tanzania Limited
Annual and report and financial statements
For the year ended 31 December 2024

NOTES (CONTINUED)

16. Related party transactions (continued)	2024 Tshs	2023 Tshs
ii) Purchase of services (other related party)		
Allcargo Logistics Limited	459,282,368	21,475,945
Asiapac Turkey Tasimacilik A.S	257,258,000	
Prism Global -Management Fee	84,777,112	-
Ecu Tianjin Ic	70,000,000	-
Ecu Montreal Ic	42,488,268	-
Ecu Mombasa Ic	36,876,938	-
Ecu Los Angeles Ic	20,321,879	-
Ecu Guangzhou Ic	17,688,750	-
Ecu Port Kelang Ic	15,529,000	-
Ecu Antwerp Ic	14,493,000	-
Ecu Ningbo Ic	14,392,888	-
Ecu Dubai Ic	9,627,870	-
Ecu Durban Ic	4,650,750	-
Ecu London Ic	3,998,664	-
Ecu Abidjan Ic	3,477,887	-
Ecu Cape Town Ic	3,475,360	-
Ecu Busan *New	2,953,800	-
Ecu Rotterdam Ic	2,538,153	-
Ecu Fremantle Ic	2,209,488	-
Ecu Cape Town Ic	1,927,341	-
Ecu Toronto Ic	1,496,936	-
Ecu Intl Usa Ic	1,391,852	-
Ecu Czech Ic	1,316,980	-
Ecu Hamburg Ic	899,172	-
Ecu Chattogram Ic	66,250	-
Ecu Barcelona Ic	2,080,876	
Fcl Marine Agencies Italy	3,391,715	
	<u>1,078,611,297</u>	<u>21,475,945</u>
iii) Finance cost - interest expense		
Allcargo Belgium N.V - borrowing interest charges	<u>24,344,975</u>	<u>3,807,805</u>
Outstanding balances arising from sale and purchase of services: (other related party)		
iv) Receivable from related parties (Note 13)		
Allcargo FCL Gurgaon IC	-	73,677,347
ECU Abidjan IC	-	10,650,637
Allcargo Logistics Limited-Mumbai	38,630,524	-
Ecu International N.V. Inc	64,179,455	-
Ecu Line Middle East Llc	4,298,898	-
Ecu Worldwide (Kenya) Ltd	23,533,912	-
Ecu Worldwide South Africa (Pty) Ltd	16,509,901	-
Allcargo Logistics Ltd-Ahmedabad	25,577,165	-
Unrealised exchange differences	<u>3,884,923</u>	<u>-</u>
	<u>176,614,779</u>	<u>84,327,984</u>

NOTES (CONTINUED)

16. Related party transactions and balances (continued)

iv) Amounts due from shareholders

Amounts owed for issued share capital	3,750,020	3,750,020
---------------------------------------	-----------	-----------

The receivable from related parties are interest free, have no specific dates of repayment and are unsecured.

v) Payables to related parties (Note 15)

Allcargo FCL Mumbai IC	664,018	13,120,908
Allcargo New Delhi IC	-	7,188,303
ECU Mombasa IC	-	1,092,329
Asiapac Turkey Tasimacilik A.S	224,005,458	-
Ecu Worldwide (Guangzhou) Limited	15,984,995	-
Prism Global (Mngt. Office)	6,462,847	-
Ecuhold Nv	8,149,115	-
Ecu Worldwide (Usa), Inc.	4,490,167	-
Ecu Worldwide (Belgium) N.V.	2,505,872	-
Fcl Marine Agencies Italy	2,921,363	-
Ecu Worldwide Australia Pty Ltd	2,204,660	-
Ecu Worldwide (Cz) S.R.O.	1,126,373	-
Allcargo Logistics Llc -Dubai	1,443,918	-
Netting Payables - Intercompany	89,086,137	-
Unrealised exchange differences	44,267,337	-
	<u>403,312,260</u>	<u>21,401,540</u>

The payable to related parties are interest free, have no specific date of repayment and are unsecured

vi) Loan from related party - Allcargo Belgium N.V (Note 10)

	2024	2023
	Tshs	Tshs
Non-current	<u>241,452,000</u>	<u>379,712,635</u>
Reconciliation of liabilities arising from financing activities:		
At start of period	379,712,635	
Interest charged to profit or loss	24,344,975	3,807,805
Foreign exchange loss	3,826,428	3,079,330
Cash flow:		
- Operating activities (interest paid)	(24,344,975)	-
- Proceeds from borrowings	114,158,646	372,825,500
-Repayments of borrowings	<u>(256,245,709)</u>	<u>-</u>
At end of period	<u>241,452,001</u>	<u>379,712,635</u>

NOTES (CONTINUED)

17. Contingent liabilities

The Directors are not aware of any contingent liabilities against the company as at the date of this report.

18. Commitments

Operating lease commitments - as a lessee

The future minimum lease payments payable under non-cancellable operating leases are as follows:

	2024	2023
	Tshs	Tshs
Not later than 1 year	67,680,852	15,528,253

The company leases various properties under non-cancellable operating lease agreements. The lease terms are between 2 to 4 years and these are generally renewable at the end of the tenure of the lease.

19. Events after the reporting period

The Directors of the Company are not aware of any events or matters since the date of this report that require adjustments or disclosure in the financial statements.

20. Period of reporting

The financial statements have been prepared for a period of 12 months as the company began operations on 1 January 2024 to 31 December 2024. These are the first statutory financial statements of the company's. Hence, no comparative figures are presented.

21. Presentation currency

These financial statements are presented in Tanzanian Shillings.

22. Prior year correction of errors

During the current year, it was noted that tax charges on the statement of profit or loss was erroneously overstated on the balance sheet and in the retained earnings for the year 2023. The balance shown in the note 11 of the previously signed statutory accounts for the year 2023 were incorrectly reflected in the profit and loss account and on the balance sheet.

SCHEDULE OF EXPENDITURE

1. DIRECT COSTS	2024 Tshs	2023 Tshs
Operational costs	1,136,691,621	173,188,906
Freight and Transportation expenses	2,218,674,188	-
MTO Operating expenses	390,331,472	-
Agency Expenses	524,903,220	-
	<u>4,270,600,500</u>	<u>173,188,906</u>
2. ADMINISTRATIVE EXPENSES		
Employment		
Salaries and wages	338,872,397	36,004,516
National social security fund contributions	33,847,540	3,780,474
Workers compensation funds	1,692,377	-
Staff medical expenses	14,569,952	-
Other staff costs	24,656,800	4,569,425
Total employment costs	<u>413,639,066</u>	<u>44,354,415</u>
Other administrative expenses:		
Management fees	99,737,779	-
Telephone and postage	15,295,000	1,985,000
Vehicle running and maintenance	15,741,300	-
Entertainment and travelling	9,046,590	2,840,000
Printing and stationery	10,059,688	1,049,490
Audit fees	9,356,935	5,763,874
Unrecoverable VAT	5,671,362	-
Legal and professional fees	34,241,060	44,309,863
Bank charges and commissions	13,036,123	1,401,022
Office expenses	4,660,500	481,600
Bad debts	24,775,812	-
Miscellaneous expenses	14,157,805	450,000
Registration and formation expenses	-	43,568,466
Total other administrative expenses	<u>255,779,955</u>	<u>101,849,314</u>
Total administrative expenses	<u>669,419,021</u>	<u>146,203,729</u>
3. OTHER OPERATING EXPENSES		
Establishment:		
Operating lease rentals	67,680,852	15,528,253
City service levy	17,810,763	-
Electricity and water	7,119,271	1,065,623
Repairs and maintenance	3,322,263	684,000
Insurance	454,763	-
Licenses and subscriptions	11,818,521	-
Depreciation on plant and equipment	14,937,415	2,124,815
Total other operating expenses	<u>123,143,849</u>	<u>19,402,691</u>