



M/S EPSOM LIMITED

ADDRESS: P.O BOX 372 - GEITA

STATEMENT
OF
ACCOUNTS FOR THE YEAR/PERIOD

ENDED

30TH SEPTEMBER, 2020

AND

THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2020

DRAWN BY:

M/S DAMODAR & COMPANY

AUTHORISED ACCOUNTANTS, AUDITORS

AND TAX CONSULTANTS

TEL: 0754/0784 - 436 663

P.O. BOX 646

MWANZA

TANZANIA



M/S EPSOM LIMITED
P.O.BOX 372 –MWANZA



DIRECTORS' REPORT

The Director submits their report together with audited accounts for the year ended 30th September, 2020.

1. Principal Activities

To carry the business of engineering works and repairing of industrial machinery spare. During the year under review, there have been no significant changes in the business activities.

2. Results of Operations and Financial Position

The results of operations for the year are set out on page 3, and the financial position as of 30th September, 2020 on page 2 of the accounts.

3. Directors

The Directors in the office during the year under the review were as follows:-

1. HASSAN DHALLA
2. HARISH PATEL

4. Auditors

M/S Damodar & Company (1992), Certified Public Accountants who were in office as auditors have expressed their willingness to continue and are eligible for re-appointment.

BY ORDER OF THE BOARD.

DIRECTOR:.....

DATE:.....

EPSOM LIMITED
P.O. BOX 372 – GEITA

CONTENTS



Pages:

1. Report of the Auditors
2. Statement of Financial Position
3. Statement of Comprehensive Income
4. Statement of Changes in Equity
5. Cash flow statement
6. Notes the Accounts
7. Property, Plant and Equipment
8. Cash and Cash Equivalents
9. Trade and Other receivables
10. Provision for Taxation
11. Advance towards share capital
12. Trade and other payables
13. Costs of Sales
14. Operating Expenses
15. Computation of Tax Liability

M/S DAMODAR & COMPANY (1992)
(Certified Public Accountants and Tax Consultants)
Makongoro Road , CCM Building 2nd Floor
P.O.Box 646 , Mobile 0754/0784-436663
MWANZA. TIN 100-127-334



Independent Auditor's Report
To the Members of M/S: Epsom Limited

Report to the financial Statements

We have audited the accompanying financial statements of **M/S: Epsom Limited** as set out on pages 2 to 16. These financial statements comprise of the Balance sheet at 31st September, 2020 and the Income statement, Statement of changes in Equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's Responsibility for the Financial Statements

The Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

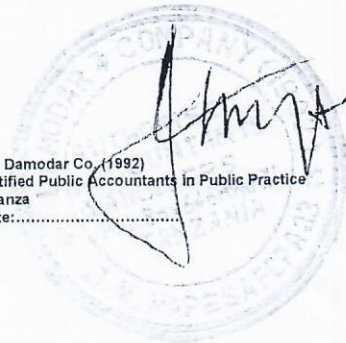
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our Opinion, the financial statements give a true and fair view of the financial position of **M/S: Epsom Limited** as at 31st September, 2020 and of its financial performance, changes in Equity and its cash flows for the year ended in accordance with International Financial Reporting standards.

M/S Damodar Co. (1992)
Certified Public Accountants in Public Practice
Mwanza
Date:.....



EPSOM LIMITED
P.O. BOX 372 - GEITA



Statement of financial position
as at September, 2020

		30.9.2020	30.9.2019
ASSETS EMPLOYED	Note	T.SHS	T.SHS
Non Current Assets			
Property , Plant & Equipment	2	3,564,562,372	3,740,835,431
		<u>3,564,562,372</u>	<u>3,740,835,431</u>
CURRENT ASSETS			
Cash and Cash Equivalents	3	295,782,403	403,035,061
Trade and Other Receivables	4	865,842,709	737,736,209
Provision for Taxation	5	493,646,512	319,548,757
Inventories		185,754,774	192,545,665
Total Current Assets		<u>1,841,026,398</u>	<u>1,652,865,692</u>
TOTAL		<u><u>5,405,588,770</u></u>	<u><u>5,393,701,123</u></u>
EQUITY AND LIABILITIES			
Equity			
Share Capital			
Authorized		<u>3,010,000,000</u>	<u>3,010,000,000</u>
Issued and Fully Paid up			
Advance towards Share capital	6	3,010,000,000	3,010,000,000
Retained Profit/(Losses)		4,127,574,388	4,127,574,388
		(6,589,900,093)	(6,239,398,788)
Total Equity		<u>547,674,295</u>	<u>898,175,600</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	7	4,857,914,475	4,495,525,523
Total Current Liabilities		<u>4,857,914,475</u>	<u>4,495,525,523</u>
TOTAL-Equity and Liabilities		<u><u>5,405,588,770</u></u>	<u><u>5,393,701,123</u></u>

NOTE 1 TO 12 FORM PART OF THESE ACCOUNTS
Auditor's Report is on page 1

DIRECTOR:

DATE:

3
EPSOM LIMITED
P.O. BOX 372 - GEITA



Statement of Comprehensive Income
for the year Ended 30th September, 2020

	Note	30.9.2020 T.SHS	30.9.2019 T.SHS
Income			
Sales		9,232,759,282	7,616,625,662
Less: Cost of Sales	8	7,994,009,186	6,477,178,463
Gross Profit		1,238,750,096	1,139,447,199
Deduct: Operating Expenses	9	1,156,537,312	1,069,473,134
Net Profit/(Loss) for the year		82,212,784	69,974,065

NOTE 1 TO 12 FORM PART OF THESE ACCOUNTS
Auditor's Report is on page 1

DIRECTOR:

DATE:

EPSOM LIMITED
P.O.BOX 372 -GEITA



STATEMENT OF CHANGES IN EQUITY
(Attributable to equity holders of the company)

	CAPITAL T.SHS	ADVANCE SHARE CAPITAL	RETAINED EARNINGS/LOSSES T.SHS	TOTAL T.SHS
Balance at 1st October,2018	3,010,000,000	-	(5,298,172,269)	(2,288,172,269)
Profit / (loss) for the year	-	-	69,974,065	69,974,065
Profit understated previos years	-	-	(1,011,200,584)	(1,011,200,584)
Balance at 31th September,2019	<u>3,010,000,000</u>	<u>-</u>	<u>(6,239,398,788)</u>	<u>(3,229,398,788)</u>
Balance at 1st October,2019	3,010,000,000	-	(6,239,398,788)	(3,229,398,788)
Profit / (loss) for the year	-	-	82,212,784	82,212,784
Profit understated previos years	-	-	(432,714,089)	(432,714,089)
Balance at 31th September,2020	<u>3,010,000,000</u>	<u>-</u>	<u>(6,589,900,093)</u>	<u>(3,579,900,093)</u>

NOTE 1 TO 12 FORM PART OF THESE ACCOUNTS
Auditor's Report is on page 1

DIRECTOR:.....

DATE:.....

EPSOM LIMITED
P.O.BOX 372 -GEITA



CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2020

	FOR THE YEAR ENDED 30.9.2020 T.SHS	FOR THE YEAR ENDED 30.9.2019 T.SHS
Cash flow from operating activities		
Profit/(loss) for the year	82,212,784	69,974,065
Add: Adjustment for non cash items		
Depreciation	485,424,554	528,466,655
Other income /loss	-	-
Adjustment	-	-
Cash flows before Changes in working Capital	567,637,338	598,440,720
Increase) /Decrease in Inventories	6,790,891	63,668,563
Increase) /Decrease in Trade and Other Receivables	(128,106,500)	(34,055,048)
Increase)/Decrease in Other Payables	362,388,952	3,052,111,465
Cash flows from/(used in) Operation (A)	808,710,681	3,680,165,700
Cash Flows from /(Used in) investing activities		
Net Proceeds from sale of Machinery	-	-
Effect of exchange rate	-	-
Income Tax Paid	(606,811,844)	(902,179,600)
Addition of Fixed Assets	(309,151,496)	(2,971,839,260)
Net cash flows from / (used in) Investing Activities (B)	(915,963,340)	(3,874,018,860)
Cash flows from /(used in) Financing Activities		
Payments of Shareholders loan	-	-
Net cash flows from / (used in) Financing activities (C)	-	-
Net Increase / (Decrease) in cash & Cash Equivalents (A+B+C)	(107,252,659)	(193,853,160)
Cash and Cash equivalents at the beginning of the year	403,035,060	596,888,220
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	295,782,401	403,035,060

NOTE 1 TO 12 FORM PART OF THESE ACCOUNTS
Auditor's Report is on page 1

DIRECTOR:.....

DATE.....

EPSOM LIMITED
P.O. BOX 372 – GEITA



NOTED: NOTES TO THE ACCOUNTS

1.0 PRINCIPAL ACCOUNTING POLICIES

1.1 Basis of Accounting

There financial statements have been prepared on the basis of historical Costs, No adjustments have been made for inflationary factors affecting the Accounts.

1.2 Depreciation on Fixed Assets

Depreciation is calculated to write off the cost of fixed assets on a reducing balance method over the expected economic useful lives of the assets concerned. Depreciation on Fixed Assets acquired during the year is charged from the date of acquisition or when they are put into use. While depreciation on disposals is charged up to the date on which the assets concerned are disposed off. The annual rates of depreciation used for this purpose which are consistently applied are as follows: -

TYPE OF ASSETS	RATE%
FURNITURE AND FIXTURES	12.5% p.a
PLANT AND MACHINERIES	12.5% p.a
MOTOR VEHICLE	25% p.a

1.3 The provision for Bad and Doubtful debts

The provision for Bad and doubtful debts is made in the accounts for all debts specially known to be doubtful of recovery. Bad debts are written off after all efforts of collecting them have failed.

1.4 Stock Valuation

Stock are consistently valued at cost or net realizable value., whichever is lower; costs are determined on a weighted average basis. Damaged and/ or absolute stocks if any are provided for n the accounts at 100% of costs.

Notes to the Financial Statement
For the year ended 30th, September, 2020



M/S EPSOM LIMITED
P.O. BOX 372 - GEITA

7

Note 2: Property, Plant and Equipment

	Land and Building T.shs	Furniture and Fixtures T.shs	Plant and Machinery T.shs	Cargo Crane T.shs	Terex Debang Crane T.Shs	Motor Vehicle T.shs	Total T.shs
As at 1.10.2019	541,655,449	2,100,000	1,154,609,538	115,208,763	2,749,480,900	1,223,800,132	5,786,854,782
Additions	-	-	309,151,496	-	-	222,358,360	531,509,856
Disposals	-	-	-	-	-	-	-
As at 30.9.2020	541,655,449	2,100,000	1,463,761,034	115,208,763	2,749,480,900	1,446,158,492	6,318,364,638
Depreciation							
As at 1.10.2019	-	1,412,651	807,876,949	44,309,459	343,685,113	1,071,093,540	1,924,692,599
Disposals	-	-	-	-	-	-	-
Charge for the year	-	85,919	81,985,511	8,862,413	300,724,473	93,766,238	485,424,554
As at 30.9.2020	-	1,498,570	889,862,460	53,171,872	644,409,586	1,164,859,778	2,753,802,266
NET BOOK VALUE							
As at 30.9.2020	541,655,449	601,430	573,898,574	62,036,891	2,105,071,314	281,298,714	3,564,562,372
As at 30.9.2019	541,655,449	687,349	346,732,589	70,899,304	2,405,795,788	375,064,952	3,740,835,431

EPSOM LIMITED
P.O. BOX 372 - GEITA

Notes to the Financial Statement

For the year ended 30th September, 2020

	30.9.2020	30.9.2019
Note 3 : Cash and Cash Equivalents	Tshs	Tshs
Cash in Hand	1,987,546	2,122,515
Cash at Bank	293,794,857	400,912,546
TOTAL	<u>295,782,403</u>	<u>403,035,061</u>



EPSOM LIMITED
P.O. BOX 372 - GEITA

Notes to the Financial Statement
For the year ended 30th September, 2020

	30.9.2020	30.9.2019
	T.shs	T.shs
Note 4: Trade and other receivables		
Trade Receivables	865,842,709	737,736,209
TOTAL	<u>865,842,709</u>	<u>737,736,209</u>



EPSOM LIMITED
P.O. BOX 372 - GEITA

Notes to the Financial Statement
For the year ended 30th September , 2020

	30.9.2020	30.9.2019
	Tshs	Tshs
Note 5 : Provision for Taxation		
Balance at 1st October	(319,548,757)	(428,569,741)
Add: Provision for Taxation		
Provision for Taxation understated Previous Year	432,714,089	1,011,200,584
	<u>113,165,332</u>	<u>582,630,843</u>
Less: Tax Paid	(211,381,632)	(558,533,088)
Withholding Tax	(395,430,212)	(343,646,512)
	<u>(606,811,844)</u>	<u>(902,179,600)</u>
TOTAL	<u><u>(493,646,512)</u></u>	<u><u>(319,548,757)</u></u>



EPSOM LIMITED
P.O. BOX 372 - GEITA

Notes to the Financial Statement
For the year ended 30th September , 2020

	30.9.2020	30.9.2019
	Tshs	Tshs
Note 6 : Advance towards share capital		
Cedator Holdings Ltd	1,232,932,507	1,232,932,507
Harrish Patel	2,894,641,881	2,894,641,881
Total	<u><u>4,127,574,388</u></u>	<u><u>4,127,574,388</u></u>

The above balances represents the amount contributed to the company by the directors for the purpose of increasing the share capital of the company, the formalities of increasing the same are concluded and it will be converted into the share capital of the company.



EPSOM LIMITED
P.O. BOX 372 - GEITA

Notes to the Financial Statement

For the year ended 30th September ,2020

	30.9.2020	30.9.2019
	Tshs	Tshs
Note 7 : Trade and Other Payables		
Trade Payables	4,623,605,150	4,322,261,666
Accruals	102,795,989	98,128,626
VAT Account	131,513,336	75,135,231
TOTAL	<u>4,857,914,475</u>	<u>4,495,525,523</u>



EPSOM LIMITED
P.O. BOX372 , GEITA

Notes to financial Statement
For the year ended 30th September, 2020

	30.9.2020	30.9.2019
	Tshs	Tshs
Note 8 : Cost of Sales		
Direct Material		
Stock at 30th September	192,545,665	256,214,228
Purchases of Materials	5,037,876,576	3,752,358,372
Less: Closing Stocks	(185,754,774)	(192,545,665)
Cost of Material Used	<u>5,044,667,467</u>	<u>3,816,026,935</u>
 Direct Labour		
Workshop Salary and Wages	2,334,467,545	2,078,445,444
Buiyanhulu Site Wages	174,201,943	154,465,500
Total Direct Labour Cost	<u>2,508,669,488</u>	<u>2,232,910,944</u>
 Overhead		
Housing Expenses for field Work	32,456,780	30,839,675
Employers Contribution to NSSF	250,866,949	207,844,544
SDL Paid on Direct Labour Costs	112,890,127	93,530,045
Office and Administration Costs	26,655,375	58,266,320
Miscellaneous Site costs and Allowances	17,803,000	37,760,000
Total Overhead incurred	<u>440,672,231</u>	<u>428,240,584</u>
Total Costs of Sales	<u>7,994,009,186</u>	<u>6,477,178,463</u>



EPSOM LIMITED
P.O.BOX 372, GEITA

Notes to the Financial Statement
For the year ended 30th September, 2020

	30.9.2020	30.9.2019
	Tshs	Tshs
Note 9 :Operating Expenses		
Postages, Telegrams and Telephones	11,462,224	10,769,141
Travelling expenses	97,455,650	29,258,643
Motor running expenses	234,644,879	248,179,132
Printing and stationery	4,988,561	3,245,276
Medical expenses	689,554	456,225
Water Charges	11,219,554	10,598,656
General expenses	2,988,456	3,521,555
Internate expenses	3,625,475	8,970,000
Penalty -Income Tax	-	7,500,000
Insurance	71,765,236	63,654,668
Bank Charges and Interest	36,246,334	37,533,645
Procurement services	-	169,489
Service levy	27,698,278	22,849,877
Electricity Charges	17,720,907	18,714,405
Workmen's Compensation	24,990,988	21,403,787
Accountancy fees	500,000	500,000
Electrical repairs	13,596,222	2,514,225
Office expenses	2,152,214	1,897,678
Security Charges	15,560,000	10,920,000
Rent	13,660,000	13,660,000
Packing materials	33,688,452	12,125,221
Fuel- Generator	46,459,774	12,564,856
Depreciation	485,424,554	528,466,655
TOTAL	1,156,537,312	1,069,473,134

NOTE 10 : CAPITAL COMMITMENTS

There were no future commitments not provided for in the Accounts as at 30th september, 2020

NOTE 11: CONTIGENT LIABILITY

There were no any Contigent Liability envisaged by the bussiness as at 30th September, 2020

NOTE 12 : COMPARATIVE FIGURES

Figures for the previous year have been re-arranged whenever cosidered necessary in order to make them comparable with the figures for the current year.



EPSOM LIMITED
P.O. BOX 372, GEITA

DRAFT COMPUTATION OF INCOME TAX LIABILITY FOR THE PERIOD
ENDED 31TH SEPTEMBER, 2020, BASED ON ACCOUNTS

30.9.2020

T.SHS

Net Profit	82,212,784
Add Depreciation	485,424,554
	567,637,338
Less: Wear and Tear Deductions	(700,227,749)
COMPUTED TAXABLE INCOME	(132,590,411)

TAX LIABILITY

Tax per Accounts	(150,000,000)
Less: Provisional Tax Paid	(343,646,512)
Withholding Tax	(493,646,512)
Tax Overpaid	

**WEAR AND TEAR DEDUCTION COMPUTATION**

	CLASS 2	CLASS 3	TOTAL
Balance at 1.10.2019	2,437,175,627	418,319,243	2,855,494,870
Addition	-	309,151,496	309,151,496
(Disposals)	-	-	-
Total	<u>2,437,175,627</u>	<u>727,470,739</u>	<u>3,164,646,366</u>
Less : Wear and Tear	609,293,907	90,933,842	700,227,749
WDV 30.9.2020	<u>1,827,881,720</u>	<u>636,536,897</u>	<u>2,464,418,617</u>