

M/S EPSOM LIMITED

ADDRESS: P.O BOX 372 - GEITA



**STATEMENT
OF
ACCOUNTS FOR THE YEAR/PERIOD
ENDED**

30TH SEPTEMBER, 2019

AND

THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2019

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'S REPORT

The Director submits their report together with audited accounts for the year ended 30th September, 2019.

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, 2019 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
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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 December, 2019 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 December, 2019 and of its financial performance, changes in Equity and its cash flows for the year ended in accordance with International Financial Reporting standards.



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EPSOM LIMITED
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Statement of financial position
as at September, 2019



	Note	30.9.2019 T.SHS	30.9.2018 T.SHS
ASSETS EMPLOYED			
Non Current Assets			
Property , Plant & Equipment	2	3,740,835,431	1,297,462,826
		3,740,835,431	1,297,462,826
CURRENT ASSETS			
Cash and Cash Equivalents	3	403,035,061	596,888,221
Trade and Other Receivables	1	737,736,209	703,681,161
Provision for Taxation	5	319,548,757	428,569,741
Inventories		192,545,665	256,214,228
Total Current Assets		1,652,865,692	1,985,353,351
TOTAL		5,393,701,123	3,282,816,177
EQUITY AND LIABILITIES			
Equity			
Share Capital			
Authorized		3,010,000,000	3,010,000,000
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
Total Equity		(6,239,398,788)	(5,298,172,269)
		898,175,600	1,839,402,119
Liabilities			
Current Liabilities			
Trade and Other Payables	7	4,495,525,523	1,443,414,058
Total Current Liabilities		4,495,525,523	1,443,414,058
TOTAL-Equity and Liabilities		5,393,701,123	3,282,816,177

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

DIRECTORY:

DATE:

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Statement of Comprehensive Income
for the year Ended 30th September, 2019

	Note	30.9.2019 T.SHS	30.9.2018 T.SHS
Income			
Sales		7,616,625,662	7,652,083,381
Less: Cost of Sales	8	<u>6,477,178,463</u>	<u>6,514,722,660</u>
Gross Profit		1,139,447,199	1,137,360,721
Deduct: Operating Expenses	9	<u>1,069,473,134</u>	<u>(2,645,381,519)</u>
Net Profit/(Loss) for the year		<u><u>69,974,065</u></u>	<u><u>(1,508,020,798)</u></u>

NOTE 1 TO 12 FORM PART OF THESE ACCOUNTS
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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,2017	3,010,000,000	-	(3,434,828,627)	(424,828,627)
Profit / (loss) for the year	-	-	(1,508,020,798)	(1,508,020,798)
Profit understated previos years	-	-	(355,322,844)	(355,322,844)
Balance at 31th September,2018	<u>3,010,000,000</u>	<u>-</u>	<u>(5,298,172,269)</u>	<u>(2,288,172,269)</u>
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>

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

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2019

	FOR THE YEAR ENDED 30.9.2019 T.SHS	FOR THE YEAR ENDED 30.9.2018 T.SHS
Cash flow from operating activities		
Profit/(loss) for the year	69,974,065	(1,508,020,798)
Add: Adjustment for non cash items		
Depreciation	528,466,655	160,873,100
Other income /loss	-	-
Asjument	-	-
Cash flows before Changes in working Capital	598,440,720	(1,347,147,698)
(Increase) /Decrease in Inventories	63,668,563	64,542,318
(Increase) /Decrease in Trade and Other Receivables	(34,055,048)	(205,194,632)
(Increase)/Decrease in Other Payables	3,052,111,465	(632,320,748)
Cash flows from/(used in) Operation (A)	3,680,165,700	(2,120,120,760)
Cash Flows from /(Used in) investing activities		
Net Proceeds from sale of Machinery	-	-
Effect of exchange rate	-	-
Income Tax Paid	(902,179,600)	(723,892,585)
Addition of Fixed Assets	(2,971,839,260)	(231,352,855)
Net cash flows from / (used in) Investing Activities (B)	(3,874,018,860)	(955,245,440)
Cash flows from /(used in) Financing Activities		
Repayments of Shareholders loan	-	3,000,000,000
Net cash flows from / (used in) Financing activities (C)	-	3,000,000,000
Net Increase / (Decrease) in cash & Cash Equivalents (A+B+C)	(193,853,160)	(75,366,200)
Cash and Cash equivalents at the beginning of the year	596,888,220	672,254,420
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAF	403,035,060	596,888,220

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

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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

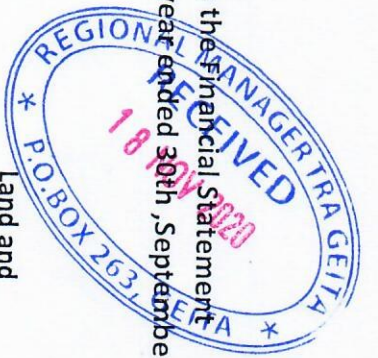
The provision for Bad and doubtful debts is made in the accounts for all debts specially known to be doubtful of recovery. Bad debts are written off after all efforts of collecting them have failed.

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.

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M/S EPSOM LIMITED
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Notes to the Financial Statement
For the year ended 30th September, 2019



Note 2: Property, Plant and Equipment

	Land and Building		Furniture and Fixtures		Plant and Machinery		Cargo Crane		Terex Debang Crane		Motor Vehicle		Total
	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	T.shs	
As at 1.10.2018	541,655,449	2,100,000	1,154,609,538	115,208,763	2,749,480,900	1,446,158,492	3,037,373,882	2,971,839,260					
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30.9.2019	541,655,449	2,100,000	1,154,609,538	115,208,763	2,749,480,900	1,446,158,492	3,037,373,882	2,971,839,260					6,009,213,142
Depreciation													
As at 1.10.2018	-	1,314,458	758,343,722	34,180,987	-	946,071,889	1,739,911,056						
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	98,193	49,533,227	10,128,472	343,685,113	125,021,651	528,466,655						
As at 30.9.2019	-	1,412,651	807,876,949	44,309,459	343,685,113	1,071,093,540	2,268,377,711						
NET BOOK VALUE													
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						
As at 30.9.2018	541,655,449	785,542	396,265,816	81,027,776	-	277,728,243	1,297,462,826						

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Notes to the Financial Statement
For the year ended 30th September, 2019

	30.9.2019	30.9.2018
Note 3 : Cash and Cash Equivalents	Tshs	Tshs
Cash in Hand	2,122,515	64,038,227
Cash at Bank	400,912,546	532,849,994
TOTAL	<u>403,035,061</u>	<u>596,888,221</u>

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Notes to the Financial Statement
For the year ended 30th September , 2019

	30.9.2019	30.9.2018
	Tshs	Tshs
Note 4 : Provision for Taxation		
Balance at 1st October	(428,569,741)	(60,000,000)
Add: Provision for Taxation	-	-
Provision for Taxation understated Previous Year	1,011,200,584	355,322,844
	<u>582,630,843</u>	<u>295,322,844</u>
Less: Tax Paid	(558,533,088)	(385,322,844)
Withholding Tax	(343,646,512)	(338,569,741)
	<u>(902,179,600)</u>	<u>(723,892,585)</u>
TOTAL	<u><u>(319,548,757)</u></u>	<u><u>(428,569,741)</u></u>

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Notes to the Financial Statement
For the year ended 30th September , 2019

	30.9.2019	30.9.2018
	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>4,127,574,388</u>	<u>4,127,574,388</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.

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Notes to financial statements
For the year ended 30th September 2019

	30.9.2019	30.9.2018
	Tshs	Tshs
Notes 8: Cost of Sales		
Direct Material		
Stock at 31th September	256,214,228.00	320,756,546.00
Purchases of Material	3,752,358,372.00	6,450,180,342.00
Less: Closing Stocks	192,545,665.00	256,214,228.00
Costs of Material Used	<u><u>3,816,026,935.00</u></u>	<u><u>6,514,722,660.00</u></u>
Direct Labour		
Workshop Salary and Wages	2,078,445,444.00	-
Bulyanhulu Site Wages	154,465,500.00	-
Total Direct Labour Costs	<u><u>2,232,910,944.00</u></u>	<u><u>-</u></u>
Overhead		
Housing Expenses for filed Work	30,839,675.00	-
Employers Contribution NSSF	207,844,544.00	-
SDL Paid on Direct Labour Costs	93,530,045.00	-
Office and Administration Costs	58,266,320.00	-
Miscellaneous Site costs and Allowances	37,760,000.00	-
Total Overhead incurred	<u><u>428,240,584.00</u></u>	<u><u>-</u></u>
Total Costs of Sales	<u><u>6,477,178,463.00</u></u>	<u><u>6,514,722,660.00</u></u>

EPSOM LIMITED
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Notes to the Financial Statement
For the year ended 30th September ,2019

	30.9.2019	30.9.2018
	Tshs	Tshs
Note 7 : Trade and Other Payables		
Trade Payables	4,322,261,666	1,358,371,039
Accruals	98,128,626	66,067,613
VAT Account	75,135,231	18,975,406
TOTAL	<u><u>4,495,525,523</u></u>	<u><u>1,443,414,058</u></u>

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Notes to the Financial Statement
For the year ended 30th September, 2019

Note 9 :Operating Expenses	30.9.2019	30.9.2018
	Tshs	Tshs
Salaries and wages		1,397,028,160
Postages, Telegrams and Telephones	10,769,141	16,887,996
Travelling expenses	29,258,643	96,454,225
Motor running expenses	248,179,132	236,361,078
Printing and stationery	3,245,276	11,545,221
Medical expenses	456,225	565,222
Skills and development Levy	-	69,851,408
Donation	-	10,000
PSSF	-	17,722,384
Employer's contributon to NPF	-	140,117,000
Water Charges	10,598,656	9,588,654
General expenses	3,521,555	29,876,854
Internate expenses	8,970,000	11,264,280
Penalty -Income Tax	7,500,000	-
Workshop expenses	-	89,756,454
Insurance	63,654,668	109,029,924
Bank Charges and Interest	37,533,645	35,325,462
Procurement services	169,489	-
Service levy	22,849,877	44,842,758
Electricity Charges	18,714,405	18,221,555
Workmen's Compensation	21,403,787	-
Accountancy fees	500,000	500,000
Electrical repairs	2,514,225	5,686,221
Office expenses	1,897,678	9,822,554
Security Charges	10,920,000	10,010,000
Rent	13,660,000	12,940,000
Packing materials	12,125,221	45,886,454
Fuel- Generator	12,564,856	65,214,555
Depreciation	528,466,655	160,873,100
	<u>1,069,473,134</u>	<u>2,645,381,519</u>

NOTE 10 : CAPITAL COMMITMENTS

There were no future commitments not provided for in the Accounts as at 30th september, 2019

NOTE 11: CONTIGENT LIABILITY

There were no any Contigent Liability envisaged by the bussiness as at 30th September, 2019

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.

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**DRAFT COMPUTATION OF INCOME TAX LIABILITY FOR THE PERIOD
 ENDED 31TH SEPTEMBER, 2019, BASED ON ACCOUNTS**

30.9.2019
 T.SHS

Net loss	69,974,065
Add Depreciation	528,466,655
	598,440,720
Less: Wear and Tear Deductions	(872,151,768)
COMPUTED TAXABLE INCOME	(273,711,048)

TAX LIABILITY

Tax per Accounts	-
Less: Provisional Tax Paid	(100,000,000)
Withholding Tax	(343,646,512)
Tax Overpaid	(443,646,512)

WEAR AND TEAR DEDUCTION COMPUTATION

	CLASS 2	CLASS 3	TOTAL
Balance at 1.10.2018	277,728,243	478,079,135	755,807,378
Addition	2,971,839,260	-	2,971,839,260
(Disposals)	-	-	-
Total	3,249,567,503	478,079,135	3,727,646,638
Less : Wear and Tear	812,391,876	59,759,892	872,151,768
WDV 30.9.2018	2,437,175,627	418,319,243	2,855,494,870