

M/S EPSOM LIMITED

ADDRESS: P.O BOX 372 - GEITA

STATEMENT
OF
ACCOUNTS FOR THE YEAR/PERIOD
ENDED
30TH SEPTEMBER, 2021

AND

THE BALANCE SHEET AS AT 30TH SEPTEMBER, 2021

DRAWN BY:

M/S DAMODAR & COMPANY

AUTHORISED ACCOUNTANTS, AUDITORS

AND TAX CONSULTANTS

TEL: 0754/0784 - 486 668

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, 2021

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, 2021 on page 2 of the accounts.

3. Directors

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

1. ZULOBIA HASSANALI DHALA
2. HARISHBHAI MANUBHAI 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: 05/11/2021.....

EPSOM LIMITED
P.O. BOX 372 – GEITA

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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 15. These financial statements comprise of the Balance sheet at 30th September, 2021 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 **M/S: EPSOM LIMITED** as at 30th September, 2021 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:.....

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EPSOM LIMITED
P.O. BOX 372 - GEITA

Statement of financial position
as at September, 2021

		30.9.2021	30.9.2020
ASSETS EMPLOYED	Note	T.SHS	T.SHS
Non Current Assets			
Property , Plant & Equipment	2	3,589,424,353	3,564,562,372
		3,589,424,353	3,564,562,372
CURRENT ASSETS			
Cash and Cash Equivalents	3	872,417,330	295,782,403
Trade and Other Receivables	4	1,037,253,126	865,842,709
Provision for Taxation	5	500,112,557	493,646,512
Inventories		169,852,554	185,754,774
Total Current Assets		2,579,635,567	1,841,026,398
TOTAL		6,169,059,920	5,405,588,770
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		(7,907,307,630)	(6,589,900,093)
		(769,733,242)	547,674,295
Liabilities			
Current Liabilities			
Trade and Other Payables	7	6,938,793,162	4,857,914,475
Total Current Liabilities		6,938,793,162	4,857,914,475
TOTAL-Equity and Liabilities		6,169,059,920	5,405,588,770

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

DIRECTOR:.....

DATE: 09/11/2021.....

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EPSOM LIMITED
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Statement of Comprehensive Income
for the year Ended 30th September, 2021

	Note	30.9.2021 T.SHS	30.9.2020 T.SHS
Income			
Sales		10,088,822,424	9,232,759,282
Less: Cost of Sales	8	<u>8,653,182,994</u>	<u>7,994,009,186</u>
Gross Profit		1,435,639,430	1,238,750,096
Deduct: Operating Expenses	9	<u>1,237,694,344</u>	<u>1,156,537,312</u>
Net Profit/(Loss) for the year		<u><u>197,945,086</u></u>	<u><u>82,212,784</u></u>

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

DIRECTOR: 

DATE: 

EPSOM LIMITED
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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,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>
Balance at 1st October,2020	3,010,000,000	-	(6,589,900,093)	(3,579,900,093)
Profit / (loss) for the year	-		197,945,086	197,945,086
Profit understated previos years	-		(1,515,352,623)	(1,515,352,623)
Balance at 31th September,2021	<u>3,010,000,000</u>	<u>-</u>	<u>(7,907,307,630)</u>	<u>(4,897,307,630)</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,2021

	FOR THE YEAR ENDED 30.9.2021 T.SHS	FOR THE YEAR ENDED 30.9.2020 T.SHS
Cash flow from operating activities		
Profit/(loss) for the year	197,945,086	82,212,784
Add: Adjustment for non cash items		
Depreciation	495,557,274	485,424,554
Other income /loss	-	-
Asjustment	-	-
Cash flows before Changes in working Capital	693,502,360	567,637,338
(Increase) /Decrease in Inventories	15,902,220	6,790,891
(Increase) /Decrease in Trade and Other Receivables	(171,410,417)	(128,106,500)
(Increase)/Decrease in Other Payables	2,080,878,687	362,388,952
Cash flows from/(used in) Operation (A)	2,618,872,850	808,710,681
Cash Flows from /(Used in) investing activities		
Net Proceeds from sale of Machinery	-	-
Effect of exchange rate	-	-
Income Tax Paid	(1,521,818,668)	(606,811,844)
Addition of Fixed Assets	(520,419,255)	(309,151,496)
Net cash flows from / (used in) Investing Activities (B)	(2,042,237,923)	(915,963,340)
Cash flows from /(used in) Financing Activities		
Repayments of Shareholders loan	-	-
Net cash flows from / (used in) Financing activities (C)	-	-
Net Increase / (Decrease) in cash & Cash Equivalents (A+B+C)	576,634,927	(107,252,659)
Cash and Cash equivalents at the beginning of the year	295,782,403	403,035,062
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAF	872,417,330	295,782,403

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

DIRECTOR:.....

DATE.....

05/11/2021

EPSOM LIMITED
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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 in 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, 2021

	Note 2:Property,Plant and Equipment							Total T.shs
	Land and Building T.shs	Furniture and Fixtures T.shs	Plant and Machineries T.shs	Cargo Crane T.shs	Terex Debang Crane T.Shs	Motor Vehicle T.shs		
As at 1.10.2020	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	
Additions	-	-	380,585,957	-	-	139,833,298	520,419,255	
Disposals	-	-	-	-	-	-	-	
As at 30.9.2021	541,655,449	2,100,000	1,844,346,991	115,208,763	2,749,480,900	1,585,991,790	6,838,783,893	
Depreciation								
As at 1.10.2020	-	1,498,570	889,862,460	53,171,872	644,409,586	1,164,859,778	2,753,802,266	
Disposals	-	-	-	-	-	-	-	
Charge for the year	-	75,179	119,310,566	7,754,611	263,133,914	105,283,003	495,557,274	
As at 30.9.2021	-	1,573,749	1,009,173,026	60,926,483	907,543,500	1,270,142,781	3,249,359,540	
NET BOOK VALUE								
As at 30.9.2021	541,655,449	526,251	835,173,965	54,282,280	1,841,937,400	315,849,009	3,589,424,353	
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	

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Notes to the Financial Statement

For the year ended 30th September, 2021

	30.9.2021	30.9.2020
Note 3 : Cash and Cash Equivalents	Tshs	Tshs
Cash in Hand	15,551,442	1,987,546
Cash at Bank	856,865,888	293,794,857
TOTAL	<u>872,417,330</u>	<u>295,782,403</u>

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Notes to the Financial Statement

For the year ended 30th September , 2021

	30.9.2021	30.9.2020
Note 4: Trade and other receivables	T.shs	T.shs
Trade Receivables	1,037,253,126	865,842,709
	-	-
TOTAL	<u>1,037,253,126</u>	<u>865,842,709</u>

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Notes to the Financial Statement
For the year ended 30th September , 2021

	30.9.2021	30.9.2020
	Tshs	Tshs
Note 5 : Provision for Taxation		
Balance at 1st October	(493,646,512)	(319,548,757)
Add: Provision for Taxation		-
Provision for Taxation understated Previous Year	1,515,352,623	432,714,089
	<u>1,021,706,111</u>	<u>113,165,332</u>
Less: Tax Paid	(1,142,904,596)	(211,381,632)
Withholding Tax	(378,914,072)	(395,430,212)
	<u>(1,521,818,668)</u>	<u>(606,811,844)</u>
TOTAL	<u><u>(500,112,557)</u></u>	<u><u>(493,646,512)</u></u>

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Notes to the Financial Statement
For the year ended 30th September , 2021

	30.9.2021	30.9.2020
	Tshs	Tshs
Note 6 : Advance towards share capital		
Zulobia Hassanali Dhala	1,232,932,507	1,232,932,507
Harishbhai Manubhai 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
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Notes to the Financial Statement
For the year ended 30th September ,2021

	30.9.2021	30.9.2020
Note 7 : Trade and Other Payables	Tshs	Tshs
Trade Payables	6,739,842,384	4,623,605,150
Accruals	70,149,171	102,795,989
VAT Account	128,801,607	131,513,336
TOTAL	<u>6,938,793,162</u>	<u>4,857,914,475</u>

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Notes to financial Statement
For the year ended 30th September, 2021

	30.9.2021	30.9.2020
	Tshs	Tshs
Note 8 : Cost of Sales		
Direct Material		
Stock at 30th September	185,754,774	192,545,665
Purchases of Materials	5,196,690,103	5,037,876,576
Less: Closing Stocks	(169,852,554)	(185,754,774)
Cost of Material Used	<u><u>5,212,592,323</u></u>	<u><u>5,044,667,467</u></u>
Direct Labour		
Workshop Salary and Wages	2,744,743,866	2,334,467,545
Bulyanhulu Site Wages	184,978,445	174,201,943
Total Direct Labour Cost	<u><u>2,929,722,311</u></u>	<u><u>2,508,669,488</u></u>
Overhead		
Housing Expenses for field Work	51,537,551	32,456,780
Employers Contribution to NSSF	292,972,231	250,866,949
SDL Paid on Direct Labour Costs	117,188,892	112,890,127
Office and Administration Costs	29,884,774	26,655,375
Miscellaneous Site costs and Allowances	19,284,912	17,803,000
Total Overhead incurred	<u><u>510,868,360</u></u>	<u><u>440,672,231</u></u>
Total Costs of Sales	<u><u>8,653,182,994</u></u>	<u><u>7,994,009,186</u></u>

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Notes to the Financial Statement
For the year ended 30th September, 2021

	30.9.2021	30.9.2020
	Tshs	Tshs
Note 9 :Operating Expenses		
Postages, Telegrams and Telephones	16,319,515	11,462,224
Travelling expenses	82,568,554	97,455,650
Motor running expenses	171,806,993	234,644,879
Printing and stationery	21,196,740	4,988,561
Medical expenses	754,122	689,554
Water Charges	1,289,545	11,219,554
Stamp duty-Prior years	819,600	-
General expenses	-	2,988,456
Audit-Sdl	9,228,514	
Internate expenses	3,854,216	3,625,475
Penalty -Vat	9,000,000	-
Insurance	78,238,359	71,765,236
Bank Charges and Interest	99,766,557	36,246,334
PAYE-Audit	29,795,354	-
Service levy	30,266,467	27,698,278
Electricity Charges	13,350,121	17,720,907
Workmen's Compensation	26,144,634	24,990,988
Accountancy fees	500,000	500,000
Electrical repairs	14,895,774	13,596,222
Office expenses	5,708,000	2,152,214
Security Charges	11,978,800	15,560,000
Rent	13,660,000	13,660,000
Packing materials	42,156,221	33,688,452
Withholding Tax -Audit	6,693,763	-
Fuel- Generator	52,145,221	46,459,774
Depreciation	495,557,274	485,424,554
TOTAL	<u>1,237,694,344</u>	<u>1,156,537,312</u>

NOTE 10 : CAPITAL COMMITMENTS

There were no future commitments not provided for in the Accounts as at 30th september, 2021

NOTE 11: CONTIGENT LIABILITY

There were no any Contigent Liability envisaged by the bussiness as at 30th September, 2021

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, 2021, BASED ON ACCOUNTS**

	30.9.2021 T.SHS
Net Profit	197,945,086
Add : Depreciation	495,557,274
Audit -Sdl	9,228,514
Paye-Audit	29,795,354
Withholding Tax -Audit	6,693,763
	739,219,991
Less: Wear and Tear Deductions	(636,548,274)
COMPUTED TAXABLE INCOME	<u>102,671,717</u>

TAX LIABILITY	
Tax per Accounts	30,801,515
Less:Provisional Tax Paid	(152,000,000)
Withholding Tax	(378,914,072)
Tax Overpaid before final assement	<u>(500,112,557)</u>

WEAR AND TEAR DEDUCTION COMPUTATION

	CLASS 2	CLASS 3	TOTAL
Balance at 1.10.2020	1,827,881,720	636,536,897	2,464,418,617
Addition	139,833,298	520,419,255	520,419,255
(Disposals)	-	-	-
Total	<u>1,967,715,018</u>	<u>1,156,956,152</u>	<u>2,984,837,872</u>
Less : Wear and Tear	491,928,755	144,619,519	636,548,274
WDV 30.9.2021	<u>1,475,786,264</u>	<u>1,012,336,633</u>	<u>2,348,289,599</u>