

SUNNY ADVENTURE SAFARIS LIMITED

FINANCIAL STATEMENTS & REPORTS

31ST DECEMBER 2019

MWEMA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

TAX CONSULTANTS

P.O. BOX 891

ARUSHA

SUNNY ADVENTURE SAFARIS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019

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SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA

Financial Statements for the year ended 31st December, 2019

CORPORATE INFORMATION :

BOARD OF DIRECTORS :

MRS SHAIROZ AYUB A.H.SULEMAN
MR.AYUB A. H. SULEMAN.

REGISTERED OFFICE :

P.O.Box. 972,
ARUSHA.
TANZANIA.

ACCOUNTANTS & AUDITORS :

Mwema & Company
Certified Public Accountants In Public Practice.
P.O.Box 891
ARUSHA
TANZANIA.

BANKERS :

African Banking Corporation Tanzania Limited.
NMB Bank
First National Bank Tanzania
KCB Bank
Exim Bank T. Limited.

SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA.

Financial Statements for the year ended 31st December, 2019

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report together with the audited Financial Statements for the year ended 31st December, 2019 which disclose the state of affairs of the Company

PRINCIPLE ACTIVITIES:

The Principle activities of the Company remain that of Tour Operators.

RESULTS:

The results for the year ended 31st December, 2019 and the appropriation thereof are set out on page 4.

DIVIDEND:

The Directors do not propose the declaration of dividends for the year.

DIRECTORATE:

The present membership of the Board is set out on page 1. In accordance with the Articles of Association, no directors are due for retirement by rotation.

AUDITORS:

The Auditors, Mwema & Company, will continue in office for the subsequent year.

ADMINISTRATIVE EFFICIENCY

- (a) Payment of all statutory dues such as Value Added Tax, Pay As You Earn, NSSF and Skills Development Levy were made on time
- (b) All assets of the company are fully insured against normal business risks.
- (c) There have been no court cases against the company or the management during the year.

BY ORDER OF THE BOARD.



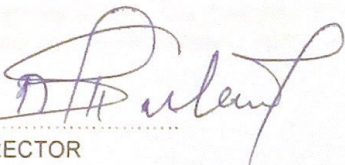
DIRECTOR

SUNNY ADVENTURE SAFARIS LIMITEDDIRECTORS RESPONSIBILITIES

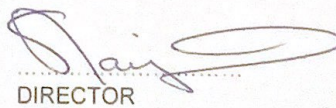
The Companies Act requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the operating results of the Company for that year. It also requires the Directors to ensure that Company keeps proper accounting records which disclose the reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors accept the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of the accounting records which may be relied in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.



DIRECTOR



DIRECTOR

REPORT OF THE AUDITORS**TO THE MEMBERS OF****SUNNY ADVENTURE SAFARIS LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and accounting policies set out on page 8.

OPINION

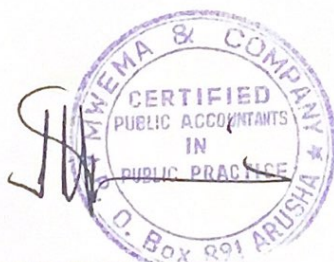
Subject to the foregoing, in our opinion the financial statements present a true and fair view of the state of the Company's affairs as at the 31st December, 2019 and of its results and Cash Flows for the year then ended and comply with International Financial Reporting Standards and the Companies Act.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. We planned and performed our audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's Directors are responsible for the preparation of financial statements which give a true and fair view of the Company's state of affairs and its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.



JOHN P. MAJO (FCPA 104)
MWEMA & COMPANY (PF 037)
Certified Public Accountants in Public Practice

ARUSHA:

SUNNY ADVENTURE SAFARIS LIMITEDSTATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY AT 31ST DECEMBER, 2019.

	<u>Share Capital T.SHS.</u>	<u>Retained Earnings T.SHS.</u>	<u>Shareholders Fund T.SHS.</u>	<u>TOTAL T.SHS.</u>
<u>Year Ended 31st December 2018.</u>				
At beginning of the year	500,000,000	793,699,440	428,054,835	1,721,754,275
Profit for the year	-	405,207,364	-	405,207,364
At the end of the year	<u>500,000,000</u>	<u>1,198,906,804</u>	<u>428,054,835</u>	<u>2,126,961,639</u>
<u>Year Ended 31st December 2019.</u>				
At beginning of the year	500,000,000	1,198,906,804	428,054,835	2,126,961,639
Profit for the year	-	211,105,422	-	211,105,422
At the end of the year	<u>500,000,000</u>	<u>1,410,012,226</u>	<u>428,054,835</u>	<u>2,338,067,061</u>

SUNNY ADVENTURE SAFARIS LIMITED
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Financial Statements for the Year ended 31st DECEMBER 2019

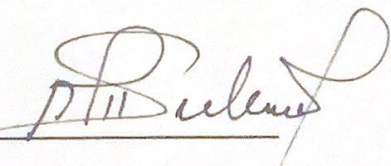
STATEMENT OF FINANCIAL POSITION
BALANCE SHEET AS AT 31st DECEMBER 2019

ASSETS :	NOTES	2019 TZS	2018 TZS
Non - Current Assets.			
Properties, Plant & Equipments: Fixed Assets	4	2,050,699,532	1,830,965,377
		<u>2,050,699,532</u>	<u>1,830,965,377</u>
Current Assets			
Accounts Receivables	6	1,305,659,097	1,694,136,765
Directors Current A/cs		46,735,675	28,735,675
Cash and Cash Equivalents		83,260,451	105,534,123
		<u>1,435,655,223</u>	<u>1,828,406,563</u>
Total Assets		<u>3,486,354,755</u>	<u>3,659,371,940</u>
Equity attributable to equity holders			
Share Capital		500,000,000	500,000,000
Retained Earnings	5	1,410,012,226	1,198,906,804
Shareholders Advances Towards Share Capital		428,054,834	428,054,834
Total Equity.		<u>2,338,067,060</u>	<u>2,126,961,638</u>
LONG TERM LOAN		<u>910,800,000</u>	<u>633,920,924</u>
CURRENT LIABILITIES:			
Accounts Payable	7	165,508,323	817,858,758
Current Tax Payable	3	71,979,372	80,630,620
Total Current Liabilities		<u>237,487,695</u>	<u>898,489,378</u>
Total Liabilities		<u>237,487,695</u>	<u>898,489,378</u>
Total Equity and Liabilities		<u>3,486,354,755</u>	<u>3,659,371,940</u>

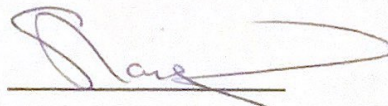
These financial statements were approved by the Board of Directors on
signed on its behalf by:

and were

Director:



Director:



SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA .

Financial Statements for the year ended 31st December, 2019

<u>CASH FLOW :</u>	2019	2018
	<u>TZS</u>	<u>TZS</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Profit before Taxation	301,579,174	578,867,663
Adjustment for Depreciation	342,581,081	252,992,604
Operating Profit before working capital change	644,160,255	831,860,267
(INCREASE) / DECREASE IN:		
Accounts Receivable	370,477,668	(354,753,203)
INCREASE / (DECREASE) IN:		
Accounts Payable	(652,350,435)	571,332,422
NET CASH FLOW FROM OPERATING ACTIVITIES	362,287,488	1,048,439,486
TAX PAID	(99,125,000)	(169,398,000)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of Fixed Assets.	(562,315,236)	(526,107,923)
Long Term Loan	276,879,076	(357,637,694)
NET CASH INFLOW / (OUTFLOW)	<u>(22,273,672)</u>	<u>(4,704,131)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	105,534,123	110,238,254
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	83,260,451	105,534,123
NET CASH INFLOW / (OUTFLOW)	<u>(22,273,672)</u>	<u>(4,704,131)</u>

Report of the Auditors - Page 4

SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA.

Financial Statements for the year ended 31st December, 2019

NOTES

1. PRINCIPLE ACCOUNTING POLICIES:

(a) Accounting Convention:

The Financial Statements are prepared under the historical cost convention.

(b) Income Recognition:

Income comprises of the invoiced value during the year net off trade discounts and allowances.

(c) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a reducing balance basis, at annual rates estimated to write off the Cost or valuation over estimated useful lives of the assets concerned.

The Rate used are:

	Rate % Annum
- Motor Vehicles	25%
- Furniture and Fittings	12.50%
- Office Equipments	12.50%
- Generator	12.50%
- Computers & Equipments	37.50%

(d) Taxation:

Taxation is provided on the basis of the results for the year as shown in the Financial Statements. Taxation is based on the adjusted income at the corporation Tax rate of 30%.

SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA

Financial Statements for the Year ended 31st DECEMBER 2019

NOTES (Continued)

	<u>TZS</u>
2. PROFIT BEFORE TAXATION FOR THE YEAR:	<u>301,579,174</u>
This is arrived at after charging:	
Depreciation	342,581,081
Directors Fees	48,000,000
	<hr/>
3. TAXATION:	
Taxation is based on the adjusted profits for the Year at the Corporation Tax rate of 30%.	
	<u>TZS</u>
Balance B/F.	80,630,620
Taxation -Provision for the Year.	90,473,752
	-
	<hr/>
	171,104,372
Less: Amount Paid.	99,125,000
	<hr/>
Balance C/F.	<u>71,979,372</u>

PROPERTIES, PLANT & EQUIPMENTS- FIXED ASSETS:

	<u>WORKSHOP MACH. & EQUIP</u>	<u>MOTOR VEHICLES</u>	<u>FURNITURE & FITTINGS</u>	<u>RADIO CALL & CAMP. EQUIP.</u>	<u>COMPUTERS & EQUIPMENTS</u>	<u>BUILDING</u>	<u>TOTAL</u>
At Cost	29,932,038	3,597,386,200	74,921,937	43,066,971	28,457,004	1,365,635,562	5,139,399,712
Additions	13,122,203	542,059,473	966,102	-	6,167,458	-	562,315,236
Deletions	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	43,054,241	4,139,445,673	75,888,039	43,066,971	34,624,462	1,365,635,562	5,701,714,948
Depreciation:							
Accumulated Depreciation as at 1.1.2019	24,092,493	3,076,638,010	45,943,931	27,057,729	17,741,737	116,960,435	3,308,434,335
Charge for the Year	2,370,219	265,701,916	3,743,014	2,001,155	6,331,022	62,433,756	342,581,081
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	26,462,712	3,342,339,926	49,686,945	29,058,884	24,072,759	179,394,191	3,651,015,416
N.B.V. at 31.12.2019	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	16,591,530	797,105,747	26,201,095	14,008,087	10,551,703	1,186,241,371	2,050,699,532

SUNNY ADVENTURE SAFARIS LIMITED
ARUSHA.

Financial Statements for the Year ended 31st DECEMBER 2019

NOTES (Continued)	2019 <u>TZS</u>	2018 <u>TZS</u>
5. RESERVES REVENUE:		
At 1st January 2019	1,198,906,804	793,699,440
Profit Retained for the Year	211,105,422	405,207,364
At 31st DECEMBER 2019	<u>1,410,012,226</u>	<u>1,198,906,804</u>
6. ACCOUNTS RECEIVABLE:		
Prepayments & Deposits	18,368,540	668,505,808
Trade Debtors	<u>1,287,290,557</u>	<u>1,025,630,957</u>
	<u>1,305,659,097</u>	<u>1,694,136,765</u>
7. ACCOUNTS PAYABLE:		
Trade Creditors	142,758,303	358,986,792
Prepayments from Clients	22,750,020	458,871,966
	<u>165,508,323</u>	<u>817,858,758</u>
8. INCORPORATION:		
The company is incorporated in Tanzania under the Companies Ordinance Cap. 212.		
SHARE CAPITAL		
50,000 Ordinary Shares of shs 10,000/ = each fully paid	<u>500,000,000</u>	<u>500,000,000</u>
9. CURRENCY:		
The Financial Statements are presented in Tanzania Shillings.		
10. ACCOUNTING Year:		
The Financial Statements are for a twelve months from January 2019 to December 2019.		

SUNNY ADVENTURE SAFARIS LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st DECEMBER 2019

INCOME	<u>SCHEDULE</u>	2019 <u>TZS</u>	2018 <u>TZS</u>
SALES (Tourism Income)		4,500,560,909	4,539,510,329
Other Income -Exchange Gain/ (Loss)		6,823,445	5,630,387
		<u>4,507,384,354</u>	<u>4,545,140,716</u>
COST OF PACKAGE TOURS- SALES	5	<u>3,240,343,093</u>	<u>3,110,649,543</u>
GROSS PROFIT		<u>1,267,041,261</u>	<u>1,434,491,173</u>
LESS: OPERATING EXPENDITURE:			
Employment	1	189,553,866	309,242,700
Establishment	2	142,211,798	59,295,749
Administration	3	155,717,076	138,016,266
Financial	4	135,398,266	96,076,191
Depreciation	6	342,581,081	252,992,604
TOTAL OPERATING EXPENDITURE		<u>965,462,087</u>	<u>855,623,510</u>
PROFIT BEFORE TAXATION		<u>301,579,174</u>	<u>578,867,663</u>
PROVISION FOR TAXATION		90,473,752	173,660,299
NET PROFIT AFTER TAX		<u>211,105,422</u>	<u>405,207,364</u>

SUNNY ADVENTURE SAFARIS LIMITED
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SCHEDULES OF OPERATING EXPENDITURE:

	2019	2018
	<u>TZS</u>	<u>TZS</u>
1. EMPLOYMENT:		
Salaries and Wages.	156,285,000	272,957,000
Skills Development Levy	6,762,825	5,498,500
N.S.S.F - Employer's Contribution	14,560,000	6,835,000
Staff Welfare Expenses	8,039,991	22,038,000
Staff Medical	1,215,050	925,700
WCF	1,456,000	
Staff Uniforms	1,235,000	988,500
	<u>189,553,866</u>	<u>309,242,700</u>
2. ESTABLISHMENT:		
Rent & Rates	29,995,235	21,101,350
Electricity & Water	13,620,959	4,080,860
Workshop Repairs and Maintenance	3,658,000	2,758,000
Licenses & Insurances- TALA, TLB, M/V Licenses, etc	94,397,604	31,355,539
Stamp Duty	540,000	
	<u>142,211,798</u>	<u>59,295,749</u>
3. ADMINISTRATION:		
Postages, Telephones and Fax	10,581,955	11,020,281
E-mail & Internet Expenses	1,835,800	5,294,992
Advertisements & Marketing Promotions	6,480,390	8,077,600
Travelling and Transport	20,744,121	3,658,000
Donations	311,800	925,000
Printing and Stationery	6,628,282	5,010,104
Maintenance of Furnitures & Office Equipments	2,894,739	2,817,955
Office Expenses & Maintenance	2,843,030	39,221,092
SDL on Directors fees	2,160,000	1,800,000
Security Charges	15,305,051	14,380,000
Clearing & Forwarding Expenses	94,288	712,092
Subscription to TATO	1,200,000	6,870,800
Directors Fees	48,000,000	36,000,000
Accountancy, Taxation & Audit Fees	21,884,100	1,200,000
Service Levy	13,500,020	1,028,350
Bad debt Written off	1,253,500	
	<u>155,717,076</u>	<u>138,016,266</u>

SUNNY ADVENTURE SAFARIS LIMITED
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SCHEDULE OF OPERATING EXPENDITURE (Continued)

	2019 <u>TZS</u>	2018 <u>TZS</u>
4. FINANCIAL COSTS:		
Bank Charges & Commissions.	56,138,045	20,797,624
Bank Interest on Loan	79,260,221	75,278,567
	<u>135,398,266</u>	<u>96,076,191</u>
5. COST OF PACKAGE TOURS:(DIRECT COSTS)		
Hotels, Lodges ,Meals & Accomodation	913,264,490	880,305,857
Park Entrance Fees-Clients, Vehicles, Drivers. etc.	1,412,652,335	938,791,045
Drivers' Safan Expenses	182,387,399	245,037,110
Clients' Direct Safari Expenses	90,863,718	298,227,303
Vehicle Hire Charges	1,568,000	152,050,000
Air Tickets & Baloon Safaris .	149,257,786	63,744,781
Shuttle Tickets	350,000	620,000
Mountain Climbing Expenes	3,685,900	11,770,300
Motor Vehicle Running Expenses-Fuel & Lubricants	278,585,052	314,315,265
Motor Vehicle Running Expenses-Maintenance	207,728,413	205,787,881
	<u>3,240,343,093</u>	<u>3,110,649,543</u>
6. DEPRECIATION :		
Charge for the Year on Motor Vehicles, Equipments & Furnitures, Office Equipments etc.	<u>342,581,081</u>	<u>252,992,604</u>