

PEPONI LUXURY RESORTS
P.O.BOX 36284, KIGAMBONI
DAR ES SALAAM.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

PEPONI LUXURY RESORTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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**PEPONI LUXURY RESORTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

REGISTERED OFFICE : Peponi Luxury Resorts
: Plot 26 & 27 Amani Gomvu
: Somangira – Kigamboni
: P.O. Box 36824
: Dar Es Salaam
: Tanzania

COMPANY AUDITORS : Silas & Associates
: Certified Public Accountants
: P.O. Box 2829
: Dodoma
: Tanzania

BANKERS : CRDB
AZIKIWE BRANCH
P.O.BOX
Dar Es Salaam
Tanzania.

PEPONI LUXURY RESORTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS REPORT

The Members,

Your directors' have the pleasure in presenting their report together with the Audited Financial Statements for the year ended 31 December 2020, which discloses the State of Affairs of your company.

INCORPORATION

The company is incorporated in Tanzania under the Companies Act 2002, as a limited liability company and it is domiciled in Tanzania.

PRINCIPAL ACTIVITIES

The company was established to carry on business of hotel.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the company at the date of this report and who served the company during the financial year 2020 except otherwise stated are:

Name	Position	Nationality
Ann-denise Whittles	Director	UK
Dhaar Hilal Majid Al Ismaily	Director	Oman

The directors have an interest in the company to the extent represented under the heading 'Capital Structure'. The interest was fully disclosed at the board meetings.

CORPORATE GOVERNANCE

The Board of Directors consists of two directors. All of the directors are involved in day-to-day operations of the company. The Board takes overall responsibility for the Company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering 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 policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is meeting at regular intervals. The Board delegates the day-to-day management of the business to the Managing Director, the Director and senior management. Senior management is invited to attend the board and board and management meetings and facilitates the effective control of all the Company's operational activities, as a "medium of communication and coordination between all the various business units."

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

MANAGEMENT

Management of the company is under the Managing Director and is under construction and has not commenced operations.

CAPITAL STRUCTURE AND SHAREHOLDING OF THE COMPANY

As at 31st December 2020, the paid-up capital of the company consists of 5,000 ordinary shares of TZS 1,000/- each and were held by the following shareholders: -

Name of Shareholders	Number of Shares
Ann-denise Whittles	60000
Dharar Hilal Majid Al Ismaily	40000

STOCK EXCHANGE INFORMATION

The company is a private limited company and thus, the shares are not listed in any Stock Exchange.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board accepts final responsibility for the risk management and internal control systems of the Company.

It is the task of management to ensure that adequate internal financial and operations control systems are reasonable assurance regarding developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The efficiency and effectiveness of operations;
- The safeguarding of the Company's Assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the financial year ended 31st December 2020 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings and Management meetings, on regular basis.

SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on 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.

RELATED PARTIES TRANSACTIONS

The company has made all the related party transaction at arm's length.

POLITICAL AND CHARITABLE DONATIONS

The company had not made any donation during the period.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act 2002 requires the directors to prepare financial statements for each financial period that gives 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 is also requiring the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud, errors and other irregularities.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or errors.

AUDITORS

The auditors, Silas & Associates will still serve as auditors of PEPONI LUXURY RESORTS and are eligible for re-appointment.

BY ORDER OF THE BOARD

Name: _____

Director

Date:

Place: Dar Es Salaam

Name: _____

Director

Date:

Place: Dar Es Salaam

REPORT OF THE INDEPENDENT AUDITORS



Silas & Associates
Certified Public Accountants

3rd Floor, Church House, Hospital Road. Tel: (0) 255262320051 P. O. Box 2829; Dodoma.
Website: <https://www.silasassociates.co.tz> Email: info@silasassociates.co.tz

To the Members of PEPONI LUXURY RESORTS

P. O. Box 36284

Dar Es Salaam, Tanzania

Report of the Auditors on Accounts for the Year ending 31 December 2020

We have audited the financial statements of **PEPONI LUXURY RESORTS** which comprise of the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in owner's equity and statement of cash flows for the year ended 31 December 2020 and a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 19.

Respective Responsibilities of Directors and Auditors

The directors are responsible for the preparation of financial statements. Our responsibility is to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

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 whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. 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 audit opinion.

Matters Affecting Our Opinion

In common with many businesses of similar size and organization, the company's system of internal control and financial sustainability is dependent upon close involvement of the Directors. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the Director and managers that all the company's transactions have been reflected in the accounting records and adequately supported by relevant third-party documents. We noted the following weaknesses in internal control:

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **PEPONI LUXURY RESORTS** as at 31 December 2020, and of its financial performance and cash flows for the year then ended in accordance with **International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SMEs)** and comply with the **Tanzanian Companies Act of 2002**.



Silas A.H. Mwakibinga - CP 11/029 ACPA (T)-PP Engagement

Partner; Dodoma.



PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020

STATEMENT OF COMPREHENSIVE INCOME

<u>PARTICULARS</u>	Notes	2020 <u>TZS</u>	2019 <u>TZS</u>
Revenue	10	-	-
Less: Cost of Sale	11	-	-
Gross Profit		-	-
Less: Operating expenses			
Administrative expenses	6	-	-
Miscellaneous Expenses	12	-	-
Depreciation	5	-	13,238,578
Total Operating Expenses		-	13,238,578
Profit/(Loss) Before Tax		-	(13,238,578)
Taxation		-	-
Profit/Loss for the year		-	(13,238,578)

Notes 1 to 17 form an integral part of the financial statements.
The Auditor's Report is presented on pages
6 to 7.

These financial statements on pages 8 to 17 were approved by the Board of Directors and signed
on its behalf by:

Name: _____

Director
Date:
Place: Dar Es Salaam



Name: _____

Director
Date:
Place: Dar Es Salaam

**PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020**

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>NOTES</u>	<u>TZS</u> <u>2020</u>	<u>TZS</u> <u>2019</u>
Non -Current Assets			
Property, Plant and Equipment	5	65,982,404	44,114,730
Current assets			
Accounts Receivables	8	-	-
Inventories	11	-	-
Cash and Cash Equivalent	7	39,687,209	98,678,051
		<u>39,687,209</u>	<u>98,678,051</u>
Total Assets		<u>105,669,613</u>	<u>142,792,781</u>
<u>EQUITY AND LIABILITIES</u>			
Equity:			
Share capital		105,669,613	145,792,781
Retained earnings		-	-
		<u>105,669,613</u>	<u>145,792,781</u>
Non current liabilities			
Motor Vehicle Loan free from Interest		-	-
Current liabilities			
Accounts Payables	9	-	-
Taxation		-	-
Total Equity & Liabilities		<u>105,669,613</u>	<u>145,792,781</u>

Notes 1 to 12 form an integral part of the financial statements.

The Auditor's Report is presented on pages 6 to 7

These financial statements on pages 8 to 17 were approved by the Board of

Directors and signed on its behalf by:

Name: _____

Director

Date:

Name: _____

Director

Date:



PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020

STATEMENT OF CHANGES IN EQUITY

PARTICULARS

	<u>Share capital</u>	<u>Retained earnings</u>	TOTAL
Opening Balance 01.01.2019	145,792,781	-	145,792,781
For the period	-	-	-
As on 31st December,2019	145,792,781	-	145,792,781
Opening Balance 01.01.2020	145,792,781	-	145,792,781
For the period	-	-	-
As on 31st December,2020	145,792,781	-	145,792,781

Notes 1 to 17 form an integral part of the financial statements.

The Auditor's Report is presented on pages 6 to 7

These financial statements on pages 8 to 17 were approved by the Board of Directors and signed on behalf by:

Name: _____

Director

Date:

Name: _____

Director

Date:



PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF CASH FLOW

	2020	2019
	<u>TZS</u>	<u>TZS</u>
Cash flows from Operating Activities		
Net Profit Before Tax	-	-
Adjustments for:		
Depreciation	-	-
Finance Cost	-	-
Provisions Increase/(Decrease)	-	-
(Increase)/Decrease in Prepayments	-	-
Increase/(Decrease) in Accruals	-	-
Operating Profit before Working Capital Changes	<u>-</u>	<u>-</u>
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade Receivables	-	-
Increase/(Decrease) in Trade Payables	-	-
Cash generated from Operations	<u>-</u>	<u>-</u>
Finance Costs Paid	-	-
Income Taxes Paid	-	-
Net Cash from Operating Activities	<u>-</u>	<u>-</u>
	A	
Cash flows from Investing Activities		
Purchases of Property, Plant and Equipment	-	-
Proceeds of sale of Property, Plant and Equipment	-	-
Interest received	-	-
Dividends received	-	-
Net Cash used in Investing Activities	<u>-</u>	<u>-</u>
	B	
Cash flows from Financing Activities		
Proceeds from issue of Shares	-	-
Proceeds from Long-term borrowings	-	-
Payment of Finance Lease liabilities	-	-
Loan repayment	-	-
Dividends paid	-	-
Net Cash used in Financing Activities	<u>-</u>	<u>-</u>
	C	
Net Increase in Cash and Cash equivalent	-	-
Cash equivalents at beginning of the period	-	-
Cash and Cash equivalents at end of the period	<u>-</u>	<u>-</u>
	A+B+C	

Notes 1 to 7 form an integral part of the financial statements

The Auditor's Report is presented on pages 6 to 7.

These financial statements on pages 8 to 17 were approved by the Board of Directors and signed on behalf by:

Name: _____

Director

Date:

Name: _____

Director

Date:



PEPONI LUXURY RESORTS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2020

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES

1 GENERAL INFORMATION

The company was incorporated in April 2014 under Companies Act, 2002 as a company limited by shares. The shareholders of the company infused the initial share capital in April, 2014. The company was established to carry on business of 4290-Construction of other Civil Engineering Projects

2 ADAPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

The company has not adopted the International Financial Reporting Standards for the preparation and presentation of its financial statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

SUMMARY OF 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 years presented unless otherwise stated.

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. A summary of more important accounting policies is set out below

B. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the reducing balance method, at annual rates estimated to write off carrying values of asset over their expected life.

Computers	37.5%
Motor Vehicles	12.5%
Office Furniture, Equipment	12.5%
Building	5%

C. REVENUE RECOGNITION

Revenues are recognized when cash is received.

D. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into the Tanzanian Shillings using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currency, are translated into Tanzanian Shillings at the rates ruling at that date. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss account.

E. ACCOUNTS RECEIVABLE

Receivables are initially recognized at fair value and subsequently measured at their amortized costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

F. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies' normal trade transactions. The carrying amount of these asset approximates their fair value

G. TAXATION

Income tax expense is aggregate of the charge to the profit or loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act,2004.

H. PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events. It is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

I. IMPAIRMENT TESTING

At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable value amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. FINANCIAL RISK MANAGEMENT

The company's activities expose it to financial risks such as credit risk and liquidity risk.

The company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

a. Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks as well as trade and other receivables. The company does not have any significant concentrations of credit risk.

b. Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and bank balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

c. Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divide by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES (CONTINUED)

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Building 5.0%	Motor Vehicles 12.5%	Office furniture & Fittings 12.5%	Computers & Equipment 37.5%	Air Condition 12.5%	TOTAL
Cost						
Balance as at 01/01/2019	-	33,075,649	-	24,277,659	-	57,353,308
Additions	-	-	-	-	-	-
Balance as at 31/12/2019	-	33,075,649	-	24,277,659	-	57,353,308
Depreciation						
Balance as at 01/01/2019	-	-	-	-	-	-
Charge for the year	-	4,134,456	-	9,104,122	-	13,238,578
Balance as at 31/12/2019	-	4,134,456	-	9,104,122	-	13,238,578
Net Book Value	-	28,941,193	-	15,173,537	-	44,114,730
Balance as at 01/01/2020	-	33,075,649	-	24,277,659	-	57,353,308
Additions	-	-	-	8,629,096	-	8,629,096
Balance as at 31/12/2020	-	33,075,649	-	32,906,755	-	65,982,404
Depreciation						
Balance as at 01/01/2020	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Balance as at 31/12/2020	-	-	-	-	-	-
Net Book Value	-	33,075,649	-	32,906,755	-	65,982,404

PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES (CONTINUED)

	2020	2019
	<u>TZS</u>	<u>TZS</u>
6		
<u>ADMINISTRATIVE COST</u>		
Business License	-	-
City Services Levy	-	-
Audit & Accountancy Fee	-	-
Communication Charges	-	-
Total	<u>-</u>	<u>-</u>
7		
<u>Cash and Cash Equivalent</u>		
Bank	37,472,533	95,863,956
Cash and Bank	2,214,676	2,814,094
Total	<u>39,687,209</u>	<u>98,678,050</u>
8		
<u>Accounts Receivables</u>		
Security Bond	-	-
Withholding Tax receivable	-	-
Total	<u>-</u>	<u>-</u>
9		
<u>Trade and Other Payables</u>		
Trade Payables	-	-
Taxes-PAYE & SDL	-	-
Total	<u>-</u>	<u>-</u>
10		
<u>Revenue</u>		
Revenue	-	-
Other Income	-	-
Total	<u>-</u>	<u>-</u>
11		
<u>Cost of Sale</u>		
Opening Stock	-	-
Add:Purchases	-	-
Goods available for sale	<u>-</u>	<u>-</u>
Less: Closing Stock	-	-
Cost of Sale	<u>-</u>	<u>-</u>
12		
<u>Miscellaneous Cost</u>		
Miscellaneous expense	-	-
Total	<u>-</u>	<u>-</u>

PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31st DECEMBER 2020

TAX COMPUTATION		2020	2019
		<u>TZS</u>	<u>TZS</u>
13	Tax Computation		
	Profit before Tax	-	-
	Tax Adjusted during the year		
	Tax Charge for the year		-
	Provisional Tax paid	-	-
	Tax Payable	<u>-</u>	<u>-</u>