

PEPONI LUXURY RESORTS
P.O.BOX 36284, KIGAMBONI
DAR ES SALAAM.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PEPONI LUXURY RESORTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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PEPONI LUXURY RESORTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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 2022, 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 2022 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 2022, 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 2022 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: _____

Name: _____

Director

Director

Date:

Date:

Place: Dar Es Salaam

Place: Dar Es Salaam



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 2022

We have audited the financial statements of **PEPONI LUXURY RESORTS** which comprise of the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in owner's equity and statement of cash flows for the year ended 31 December 2022 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 2022, 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 2022

<u>PARTICULARS</u>	Notes	2022 TZS	2021 <u>TZS</u>
Turnover	3		-
COST OF SALES	4		
Gross Profit			-
Admin Expenses	4		-
Depreciation	2	10,895,036	10,650,251
Results from Operating Activities		10,895,036	10,650,251
Profit/(Loss) Before Tax		(10,895,036)	(10,650,251)
Income Tax Expenses			
Profit/Loss for the year after Tax		(10,895,036)	(10,650,251)

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 Sala

PEPONI LUXURY RESORTS
STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2022

<u>ASSETS</u>	<u>NOTES</u>	<u>TZS</u> <u>2022</u>	<u>TZS</u> <u>2021</u>
Non Current Assets		2,506,352,970	2,180,780,288
Property, Plant and Equipment	2	49,635,288	65,569,956
W.I.P Buildings		2,329,157,683	1,987,650,332
Land		127,560,000	127,560,000
Current assets		1,063,755,096	1,036,346,003
Cash	6	113,587,302	184,065,661
Inventory	4		
Trade Debtors & Receivables	7	119,866,905	109,279,541
Pre-Operational Expenses		830,300,889	743,000,801
TOTAL ASSETS		3,570,108,066	3,217,126,292
 <u>EQUITY AND LIABILITIES</u>			
Current Liabilities		250,000	250,000
Trade Creditors	8	250,000	250,000
Taxation Account			
Equity		3,569,858,066	3,216,876,292
Capital Contribution		3,580,753,102	3,227,526,543
Retained Earnings		-	(10,650,251)
TOTAL LIABILITIES & EQUITY		3,570,108,066	3,217,126,292

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: _____

Name: _____

Director

Director

Date:

Date:



PEPONI LUXURY RESORTS
FOR THE YEAR ENDED 31 DECEMBER 2022

<u>STATEMENT OF CHANGES IN EQUITY</u>			
	Owner's Equity	Retained Earnings	TOTALS
As at 01.01.2022	3,227,526,543		3,227,526,543
Additions/(Deductions)	353,226,559	(10,895,036)	342,331,523
Drawings			
As at 31.12.2022	3,580,753,102	(10,895,036)	3,569,858,066
As at 01.01.2021	2,579,560,716	(10,650,251)	2,568,910,465
Additions/(Deductions)	647,965,827		647,965,827
Drawings			
As at 31.12.2021	3,227,526,543	(10,650,251)	3,216,876,292

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: _____

Name: _____

Director

Director

Date:

Date:



PEPONI LUXURY RESORTS
P.O.BOX 3600, DAR ES SALAAM
FOR THE YEAR ENDED 31st DECEMBER
2021

<u>STATEMENT OF CASH FLOW</u>	<u>2022</u> <u>TZS</u>	<u>2021</u> <u>TZS</u>
Cash Flows From Operating Activities		
Receipts		
Sales		
Receivables		
Inventories	-	-
Payments		
Cost of sales		
Direct Labour		
Pre-Operational Expenses		
Creditors	-	
Taxes	-	
	-	-
Cash Flows From Investing Activities		
Capital Injected into business		
Acquisitions of Fixed Assets		
Work In Progress		
Depreciation Adjustment	-	-
Cash Flows From Financing Activities		
Inflows	-	
Outflows	-	
	-	-
Net Cash Inflows during the year	-	-
Cash & Cash Equivalents as at start		
Cash & Cash Equivalents as at 31 December	-	0

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: _____

Name: _____

Director

Director

Date:

Date:



PEPONI LUXURY RESORTS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2022

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 programmed 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 debts.

PROPERTY, PLANT AND EQUIPMENT				
				-
Particulars	COMPUTERS	MOTOR VEHICLES	TOOLS & EQUIPMENTS	TOTAL
	37.5%	12.5%	12.5%	
Costs	TZS	TZS	TZS	TZS
Costs as at 01/01/2022	4,490,900	33,075,649	38,653,658	76,220,207
Additions	-	-	4,669,836	4,669,836
Disposals				
As at 31/12/2022	<u>4,490,900</u>	<u>33,075,649</u>	<u>43,323,494</u>	<u>80,890,043</u>
ACCUMULATED DEPRECIATION				
As at 01/01/2022	3,145,756	8,268,912	8,945,051	20,359,719
Depreciation	1,345,144	4,134,456	5,415,437	10,895,036
Acc. Dep on disposals	-	-	-	
As at 31/12/2022	<u>4,490,899</u>	<u>12,403,368</u>	<u>14,360,488</u>	<u>10,895,036</u>
CARRYING AMOUNTS	<u>1</u>	<u>20,672,281</u>	<u>28,963,006</u>	<u>69,995,007</u>
As at 31/12/2022	<u>1</u>	<u>20,672,281</u>	<u>28,963,006</u>	<u>49,635,288</u>
As at 31/12/2021	1,345,145	24,806,737	29,708,607	65,569,956

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES
(CONTINUED)

	2022 TZS	2021 <u>TZS</u>
NOTE 3		
TURNOVER		
Sales of Goods & Services	_____	_____ 0
	=====	===== -
NOTE 4		
Administrative Expenses	_____	_____
Audit Fee	_____	_____ -
	=====	=====
NOTE 5		
PRE-OPERATIONAL EXPENSES		
Audit Fee	250,000	250,000
F & B & Company apartment	47,657,146	45,777,246
Government Fees	106,157,577	89,549,419
Consultancy Fees	61,748,987	43,378,131
Accom	9,458,819	7,194,169
Accountancy	6,687,274	4,550,774
Assisting Director	8,954,300	8,944,300
Bank charges	16,413,998	14,581,250
		-
Bank Interest	- 359,066	351,060
Cellphone	3,320,833	2,898,837
Cleaning	2,957,776	2,781,335
Electricity & Water	7,460,673	5,005,839
Legal Fees	34,660,410	23,619,300
Motor Vehicle Exps	12,690,863	11,498,406
Motor Vehicle Fuel	24,063,906	19,595,574
Insurance	5,751,953	4,858,103
Postage & Stationery	5,224,003	4,448,269
Rent	35,358,898	35,325,000
Repairs & Maintenance	3,776,746	2,214,256
BRELA	1,047,694	1,002,294
Travel - Foreign	423,825,233	404,018,413
Travel - Local	8,651,804	7,510,804
Website & Internet	3,536,464	3,345,543
MISCELLANEOUS	1,004,600	1,004,600
	<u>830,300,889.28</u>	<u>743,000,801</u>

NOTE
6 **CASH AND BANK**

	CRBD Bank + NMB	3,696,130.57	12,541,493
	Cash - Denise	4,782,197.90	1,679,331
	TIGO Pesa	1,282,891.74	31,375
	Vodacom MPESA	1,783.00	326,430
	Airtel Money	1,651,787.00	224,298
	CRBD USD\$ ACCOUNT	102,172,511.37	169,262,735
		<u>113,587,302</u>	<u>184,065,661</u>
NOTE			
7	TRADE & RECEIVABLES		
	VAT Payables	119,866,905	109,279,541
	Trade Debtors		-
		<u>119,866,905</u>	<u>109,279,541</u>
NOTE			
8	TRADE CREDITORS & ACCRUALS		
	Auditing Fees Payable	250,000	250,000
	Trade Payables		
		<u>250,000</u>	<u>250,000</u>
NOTE			
9	TAXATION ACCOUNT		
	Profit/ (Loss) Before taxation	- 10,895,036	(10,650,251)
	Add Back: Depreciation (Note #2A)	- 10,895,036	10,895,036
		- 21,790,073	244,785
	Less: Wear & Tear Allowances (Note #2A)	- 10,895,036	(10,895,036)
	Adjusted Taxable Income	- 10,895,036	(10,650,251)
	Taxation During the Year		-
	Less: Balance brought Forward		-
	Taxes Paid during the year		-
	Balance Carried Forward		-
		<u></u>	<u></u>