

DELINA OIL & GAS DISTRIBUTORS LIMITED

P.O BOX 16351 DAR

ES SALAAM

**MANAGEMENT ACCOUNTS FOR THE
PERIOD ENDED 31ST DECEMBER 2022**

MANAGEMENT REPORT FOR THE PERIOD ENDED 31ST DECEMBER 2022

We have recently completed our review of ***DELINA OIL & GAS DISTRIBUTORS LIMITED***, our review was conducted in accordance with International Standards on Accounting and General agreed terms and Practices. In reviewing we were required to plan and perform the review to obtain all necessary documents which were very important in Management operation; our standards in review also required us, to check various laws and regulations which guide the companies and testing the effectiveness and efficiency of internal control.

During our review management had all responsibility of providing all necessary information, explanations and documents; our responsibility was to proceed with documents provided to us by management, and provide opinions, recommendations and Report, based on management information, explanations and documents.

However, in Management report we are providing a reasonable assurance that the statement of financial performance shows the true picture of company operations as per documents and presentation from management, Management responses have been provided through the coordination of the Accountant.

We would like to thank the management of ***DELINA OIL & GAS DISTRIBUTORS LIMITED*** for their assistance and co-operation during the review. We would be pleased to provide any clarification that you may require on the issues raised in this report.

DELINA OIL & GAS DISTRIBUTORS LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR
THE PERIOD ENDED 31ST DECEMBER 2022

	NOTE	2022 TZS	2021 TZS
Revenues	3	11,712,478,163	14,151,325,574
Direct Costs	4	<u>7,973,680,445</u>	<u>9,719,135,601</u>
Gross Profit		3,738,797,717	4,432,189,973
Expenses:			
Operating expenses	5	209,088,999	314,593,430
Employment Expenses	6	91,449,674	146,319,479
Finance cost	7	210,403,902	98,050,224
Depreciation	13	<u>1,650,541,058</u>	<u>1,538,041,058</u>
Total expenses		<u>2,161,483,634</u>	<u>2,097,004,192</u>
Profit before tax		1,577,314,083	2,335,185,781
Income Tax		<u>(196,582,075)</u>	<u>(126,582,075)</u>
Profit after tax		1,380,732,008	2,208,603,706

Yuda P. Mosha *

DIRECTOR.....



DELINA OIL & GAS DISTRIBUTORS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2022

	NOTE	2022	2021
		TZS	TZS
NON CURRENT ASSETS (NET)	13	6,422,815,791	5,552,116,849
CURRENT ASSETS			
Inventory	8	132,000,560	313,078,280
Trade & Other Receivables	9	511,824,865	442,016,404
Cash in Hand and Bank	10	128,568,475	78,463,780
Total current assets		<u>772,393,900</u>	<u>833,558,464</u>
TOTAL ASSETS		7,195,209,691	6,385,675,313
EQUITY & LIABILITIES			
EQUITY			
Share Capital		500,000,000	500,000,000
Retained Profit		5,354,133,855	4,216,353,851
Advance towards Share Capital		0	-
Total Equity		5,854,133,855	4,716,353,851
NON CURRENT LIABILITIES			
Borrowings	11	<u>1,231,650,099</u>	<u>1,533,341,989</u>
Total non-current liability		1,231,650,099	<u>1,533,341,989</u>
CURRENT LIABILITIES			
Trade & Other Payables	12	107,302,016	133,855,752
Current Tax		<u>2,123,721</u>	<u>2,123,721</u>
Total current liability		<u>109,425,737</u>	<u>135,979,473</u>
TOTAL LIABILITIES		<u>1,341,075,836</u>	<u>1,669,321,462</u>
TOTAL EQUITY & LIABILITIES		<u>7,195,209,691</u>	6,385,675,313

Yuda P. Moshia



Director

DELINA OIL & GAS DISTRIBUTORS LIMITED

STATEMENT OF CHANGE IN EQUITY

AS AT 31ST DECEMBER 2022

Balance as 1 January 2022	Share Capital	Advance to Share Capital	Retained Earnings	Total Equity
Share capital	500,000,000	-	4,216,353,851	4,716,353,851
Profit for the year	-	-	1,380,732,008	1,380,732,008
Prior year adjustment	-	-	(242,952,005)	(242,952,005)
Dividends	-	-	-	-
Balance at 31 December 2022	500,000,000	-	5,354,133,855	5,854,133,855

DELINA OIL & GAS DISTRIBUTORS LIMITED

STATEMENT OF CASHFLOW

FOR THE PERIOD ENDED 31ST DECEMBER 2022

	2022	2021
	TZS	TZS
Cash flow from operating activities:		
Net operating profit before tax	1,577,314,083	2,335,185,781
Adjustment for non-cash items		
Depreciation	1,650,541,058	1,538,041,058
Prior year adjustment	41,047,995	
Operating profit/(Loss) before tax	3,268,903,136	3,873,226,840
Change in working capital items		
(Increase)/decrease in stocks	181,077,720	(182,950,337)
(Increase)/decrease in Receivables	(69,808,461)	(87,480,560)
Increase/(decrease) in Payables	(26,553,736)	(23,787,490)
Cash generated from/(used in) from operations	3,353,618,660	3,579,008,453
Income tax paid	(196,582,075)	(126,582,075)
Net cash inflow/(outflow)from operating activities	3,157,036,585	3,452,426,377
Cash flow from investing activities:		
Acquisition of PPE and land	(2,805,240,000)	(1,383,422,000)
Net cash inflow/(outflow)from investing activities	(2,805,240,000)	(1,383,422,000)
Cash flow from financing activities:		
Share Capital	-	-
Long term borrowing	(301,691,890)	(2,346,025,621)
Net cash inflow/(outflow)from financing activities	(301,691,890)	(2,346,025,621)
Net increase/(decrease) in cash and Equivalents	50,104,695	(277,021,244)
Cash and Equivalents at the beginning of the year	78,463,780	355,485,023
Cash and Equivalents balance at end of the year	<u>128,568,475</u>	<u>78,463,780</u>

DELINA OIL & GAS DISTRIBUTORS LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31ST DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies in the preparation of these accounts are set out below:

(a) Basis of Accounting

International Financial Reporting Standards (IFRS). The Financial Statements have been prepared under the historical cost convention and on the going concern basis. No other adjustments have been made for inflationary factors affecting the accounts. The presentation of these Financial Statements is in compliance with International Accounting Standards 1 (IAS 1).

(b) Income Recognition:

Income is recognized on accrual basis. This comprises the fair value of services rendered during the year net of Value Added Tax and discounts.

(c) Property, Machinery, and Equipment.

Property, machinery and equipment are recorded at cost, which includes expenditure that is directly attributable to the acquisition of the items.

(d) Trade Receivables

Receivables are recognized initially at the fair value and subsequently measured at cost less provision for bad and doubtful receivables made at the following rates:

Age of Debt	Percentage
Less than one year	0%
1-2 Years	50%
Over 2 years	100%

DELINA OIL & GAS DISTRIBUTORS LIMITED

FOR THE PERIOD OF 31ST DECEMBER 2022

NOTES TO THE ACCOUNTS - continued

(e) Translation of Foreign Currencies

Items included in the financial statements are measured in Tanzanian Shillings (TZS) at rates ruling at the transaction date. Monetary assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated in Tanzanian Shillings at rates ruling at that date. The foreign exchange gains or losses resulting from such transactions are recognized in the income statement.

(f) Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and cash and deposits at banks.

(g) Comparative Figures

Previous year's figures have been re-arranged wherever necessary to make them comparable with current year's figures.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

Estimates and judgments are continually evaluated and are based on historical experience and other factors including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions:

Critical estimates are made by the MANAGING DIRECTORS in determining depreciation rates for property, machinery and equipment and their residual values. The rates used are set out in note 1 (c).

(ii) Critical judgments in applying the entity's accounting policies:

In the process of applying the company's accounting policies, management has made judgments in determining whether assets are impaired.

DELINA OIL & GAS DISTRIBUTORS LIMITED

FOR THE PERIOD OF 31ST ECEMBER 2022

3. REVENUE	2022	2,021
Revenue	<u>11,712,478,163</u>	<u>14,151,325,574</u>
Total	11,712,478,163	14,151,325,574

4.COST OF SALES	2022	2,021
	TZS	TZS
Opening Stock	272,463,001	148,783,558
Other Purchases	66,138,275	128,276,550
Direct Costs (4a)	<u>7,767,079,729</u>	<u>9,594,885,382</u>
Cost of goods available for sale	8,105,681,005	9,871,945,490
Closing Stock	<u>-132,000,560</u>	<u>(152,809,889)</u>
Cost of Sales	7,973,680,445	9,719,135,601

4a. DIRECT COSTS

	TZS	TZS
Fuel Purchase station	6,447,385,071	4,053,556,088
Tires, Services and Maintenance	753,882,839	438,074,784
Other Direct Costs	<u>565,811,819</u>	<u>285,811,819</u>
Total Direct Costs	7,767,079,729	4,777,442,691

5. OPERATING EXPENSES	2022	2021
	TZS	TZS
Utilities	3,294,551	4,529,654
Security	7,486,838	7,885,380
Road Tolls	11,403,910	25,931,364
Statutory Fees & Charges	8,731,578	10,394,736
Travelling & Accommodation	8,432,469	14,245,720
Insurance	7,471,199	10,410,790
Clearing expenses	70,704,540	100,566,900
Communication	7,104,893	12,575,032
Office Expenses	14,016,759	20,023,942
Professional fees	7,444,797	12,780,768
Miscellaneous Expenses	20,180,080	16,144,064
License registratiomn	3,086,550	13,718,000
Marketing and promotion	<u>39,730,834</u>	<u>65,387,080</u>
Total Operating Expenses	209,088,999	314,593,430

DELINA OIL & GAS DISTRIBUTORS LIMITED

FOR THE PERIOD OF 31ST ECEMBER 2022

6. EMPLOYMENT EXPENSES	2022	2021
	TZS	TZS
Salaries & Wages	79,177,207	126,683,532
Social Security Contribution	7,917,721	12,668,353
SDL	3,562,974	5,700,759
WCF	<u>791,772</u>	<u>1,266,835</u>
TOTAL	91,449,674	146,319,479
7. FINANCE COSTS	2022	2021
	TZS	TZS
Loan processing fees		37,457,690
Bank charges	32,671,141	23,168,534
Interest on loan	<u>177,732,761</u>	<u>37,424,000</u>
Total	210,403,902	98,050,224
8. INVENTORY	2022	2021
	TZS	TZS
Petroleum Products	<u>132,000,560</u>	<u>313,078,280</u>
Total stock	132,000,560	313,078,280
9. TRADE & OTHER RECEIVABLES	2022	2021
	TZS	TZS
Trade Receivables	<u>511,824,865</u>	<u>442,016,404</u>
Total	511,824,865	442,016,404
10. CASH AND BANK	2022	2021
	TZS	TZS
Bank balance	<u>128,568,475</u>	<u>78,463,780</u>
Total	128,568,475	78,463,780
11. BORROWINGS	2022	2021
	TZS	TZS
Long term loan	<u>1,231,650,099</u>	<u>1,533,341,989</u>
Total	<u>1,231,650,099</u>	<u>1,533,341,989</u>
12. Trade payables	2022	2021

DELINA OIL & GAS DISTRIBUTORS LIMITED

FOR THE PERIOD OF 31ST ECEMBER 2022

	TZS	TZS
Sundry creditors	<u>107,302,016</u>	<u>133,855,752</u>
Total	107,302,016	133,855,752

DELINA OIL & GAS DISTRIBUTORS LIMITED

FOR THE PERIOD OF 31ST ECEMBER 2022

13. PPE	Motor Vehicles	Plant and Machinery	Land	Total
	TZS	TZS	TZS	TZS
Cost				
01/01/2022	7,534,780,291	248,680,000	240,000,000	8,023,460,291
Additions	1,920,000,000	100,000,000	785,240,000	2,805,240,000
Disposal				-
31/12/2022	9,454,780,291	348,680,000	1,025,240,000	10,828,700,291
Accumulated depreciation				
01/01/2022	2,440,258,442	31,085,000	0	2,471,343,442
Charge during the year	1,890,956,058	43,585,000		1,934,541,058
31/12/2022	4,331,214,500	74,670,000	0	4,405,884,500
				-
Net Book Value				
31/12/2022	5,123,565,791	274,010,000	1,025,240,000	6,422,815,791