

MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31ST DECEMBER,
2020.**

**LYNO Associates
Certified Public Accountants
P.O. Box 62855
Dar es Salam**

MOUNTAIN ENTERPRISES LIMITED
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MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

COMPANY INFORMATION

REGISTRATION

MOUNTAIN ENTERPRISES LIMITED

is a company limited by shares, Registered Under Companies ordinance (CAP 212) (Repealed by the Companies Act of 2002) Vide certificate of Registration No. **95692**. The Company is registered with Tanzania Revenue Authority vide Certificate of Registration with **TIN NO. 119 - 203 - 708** issued in Temeke-Dar es salaam.

CONTACT ADDRESS

MOUNTAIN ENTERPRISES LIMITED

P.O.BOX 42876
DAR ES SALAAM

COMPANY AUDITORS

LYNO Associates
Certified Public Accountants
P.O. Box 62855
Dar es Salaam

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

1. INTRODUCTION

The directors present their report and audited financial statements for the year ended 31st December 2020.

2. PRINCIPAL ACTIVITY

The main activity of the company is Transportation and Real Estate activities.

3. DIRECTORS

The names of the directors of the Company who served during the year up to the date of this report are as follows:

S/N NAME	NATIONALITY
1. MAHAMUD ABDI KULLANE	TANZANIAN
2. HASSAN MOHAMED MOHAMOUD	SOMALI
3. MOHAMED HASSAN MOHAMED	SOMALI

4. RESULTS

The results for the period are set out on page 12.

5. SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that has adequate resources to continue in operational existence for the foreseeable future.

6. DIVIDENDS

The directors did not recommend the payment of dividends.

7. EMPLOYEES WELFARE

Management and Employees' Relationship

The company had no employees during the year under Audit

8. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Note 17 to these financial statements.

9. PERSONS WITH DISABILITIES

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues.

10. GENDER PARITY

The Company is expected to be an equal opportunity employer. It will not discriminate on the basis of gender or religion.

11. CORPORATE SOCIAL RESPONSIBILITIES

The Company values responsible corporate citizenship. It participates actively in community activities as well as development programs throughout the country.

12. AUDITORS

The auditors, LYNO Associates were appointed as auditors of the company for the year ended 31st December, 2020 and are eligible for re-appointment.

BY ORDER OF THE BOARD,



.....
MAHAMOUD ABDI KULLANE
DIRECTOR

DATE: 16/11/2020

MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under the Companies Act of 2002 to prepare financial statements of the company for each financial year, that show a true and fair view of the state of affairs of the company as at the end of the financial year, the operating results, statement of cash flows and statement of changes in equity for the year then ended.

The directors confirm that suitable accounting policies have been used and applied consistently. Reasonable and prudent judgment has been exercised where estimates were used in the preparation of Financial Statements for year ended 31st Dec 2020 . The directors also confirm that the International Financial Reporting Standards for SME's have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with Companies Act of 2002. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.



.....
MAHAMOUD ABDI KULLANE
DIRECTOR

DATE: 16/11/2020

MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

INDEPENDENT AUDITORS' REPORT

To the members of

MOUNTAIN ENTERPRISES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of MOUNTAIN ENTERPRISES LIMITED, which comprises the statement of financial position as at 31st December, 2020 and the statement of profit or loss, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of **MOUNTAIN ENTERPRISES LIMITED** as at 31st December, 2020, and of its financial performance and its cash flows for the year then ended; in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the business in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

There are no key Audit Matters to be communicated.

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial

Auditors' responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatements of the financial statements whether due to fraud or error, design and perform procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of the management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in the manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in the extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act (CAP 212) No. 12 of 2002.

MOUNTAIN ENTERPRISES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

As required by the Companies Act (CAP 212) No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed., There is no matter to report In respect of the foregoing requirements.

Yours sincerely



MAHAMOUD ABDI KULLANE

Date: 16/11/2020



MOUNTAIN ENTERPRISES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2020

	NOTE	16.11.2020 TZS
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	3	<u>164,703,000</u>
Current Assets		
Cash Balances	4	17,000,000
Receivables & Prepayments	8	0
Provisional Tax paid		0
Total Current		<u>0</u>
TOTAL ASSETS		<u>176,879,700</u>
EQUITY AND LIABILITIES		
Equity		
Capital	5	102,000,000
Retained Earnings		0
Profit/loss for the year		45,000,000
Total Equity		<u>147,000,000</u>
Current liabilities		
Trade Payable	6	0
Total Current Liabilities		<u>0</u>
TOTAL EQUITY AND LIABILITIES		<u>147,000,000</u>

The notes on pages 13 to 18 form part of these financial statements. Independent auditors' report on page 7 to 9.

We, the undersigned Directors do hereby declare that the above statement of financial position and accompanying financial statements are correct and that the accounting records, information and explanations given to the auditors for the purpose of their audit are true and correct to the best of Directors' knowledge and behalf.

Director's Name: **MAHAMOUD ABDI KULLANE**

Signature: 

Date: 16/11/2020

MOUNTAIN ENTERPRISES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DEC 2020

STATEMENT OF PROFIT OR LOSS

	NOTE	2023 TZS
Income		43,000,000
Direct Cost		<hr/>
Gross Profit		43,000,000
Operating Costs		
Administrative Costs	12	1,900,000
Depreciation		13,000,000
Accounting & Audit Fee		<u>0</u>
Total Operating Costs		<u>14,900,000</u>
Profit/(Loss) Before Tax		17, 511,110
Tax Expense		<u>8,430,000</u>
Net Profit/loss for the year		<u><u>12,259,377</u></u>

The notes on pages 13 to 18 form part of these financial statements.
Independent auditors' report on page 7 to 9.

STATEMENT OF CASH FLOWS

	2020 TZS
Cash Flows from Operating Activities	
Profit/loss Before tax	17,511,110
Adjustment for non-Cash Items	
Add: Depreciation	<u>13,000,000</u>
Adjusted Profit	<u>41,100,000</u>
Working capital adjustments:	
(Increase)/decrease in debtors & prepayment	0
Increase/Decrease in Creditors	0
Cash Generated From/Used in Operating Activities	<u>41,100,000</u>
Tax paid	<u>0</u>
Net Cash Flows from Operating Activities (A)	<u>32,670,000</u>
Cash Flows from Investing Activities	
Purchases of property, plant and equipment (B)	<u>0</u>
Cash Flows from Financing Activities	
Share Capital	<u>0</u>
Net Cash Flows from /(Used in)Financing Activities (C)	<u>32,670,000</u>
Net increase/(Decrease) in cash and cash equivalents (A+B+C)	0
Cash at the Beginning of the year	<u>17,000,000</u>
Cash and cash equivalent at the end of the year	<u><u>17,000,000</u></u>

The notes on pages 13 to 18 form part of these financial statements.
 Independent auditors' report on page 7 to 9.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. These financial statements are presented in Tanzanian Shillings (TSZ).

Statement of compliance

The financial statements have prepared in accordance with International Financial Reporting Standards (IFRSs for SME'S).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Trade and other receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash in hand and at banks. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts.

Property and equipment

Property, Plant and equipment are initially recorded at historical cost. Such cost includes the cost of replacing such Property and equipment when that cost is incurred if the recognition criteria are met. Depreciation is calculated on a Reducing Balance Method so as to write off the cost of the assets over their expected useful lives. The annual rates of depreciation are:

Asset description	Rate per Annum
Office Furniture and Fittings	12.5%
Office Computers	33.3%
Equipment's & Machinery	12.5%

NOTES TO THE FINANCIAL STATEMENTS (continued)

The carrying values of items of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Non-interest bearing loans and borrowings

Non-interest bearing loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

De-recognition of Financial Liabilities

A financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Taxes

i) Current tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. The current tax rate is 30%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

MOUNTAIN ENTERPRISES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

	31.12.2020
	TZS
4 Revenue	
Income	<u>43,000,000</u>
Total	<u><u>0</u></u>
5 Share Capital	
Paid-up share capital 130 shares @100,000/=	13,000,000.00
Unpaid-up share capital 870 shares @ 100.000/=	<u>87,000,000.00</u>
Total	<u><u>100,000,000.00</u></u>
6 Cash Balance	
Cash & Cash Equivalent	<u>17,000,000</u>
Total	<u><u>17,000,000</u></u>
7 Trade and Other Payables	
Audit Fee Payable	0
Trade Payable	<u>0</u>
Total	<u><u>0</u></u>

MOUNTAIN ENTERPRISES LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DEC 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2020 TZS
9 Finance Costs	
Bank charges/OD interests	<u>0</u>
Total	<u><u>0</u></u>
	2021 TZS
10 OTHER GENERAL AND ADMISTRATIVE EXPENSE	
Audit & other Professional Fees	300,000
Travelling Expenses	0
Cleaning Expenses	0
Communication	0
Rent	600,000
Legal & other professional Fee	0
Tender Expenses	0
Office Meals	0
Printing & Stationeries	0
Repair & Maintenance	0
Salary & Wages	0
Security Expenses	1,000,000
Water & Electricity	<u>0</u>
Total Expenses	<u><u>1,900,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Events subsequent to the reporting date

There were no events subsequent to the reporting date of such nature that would require additional disclosures or adjustments to the financial statements

12 Capital Commitments

The Company certifies that there were no capital commitments as at 31st December, 2021 but since the date of registration of this company, the Authorized share capital was Tshs. 1000,000,000/= divided into 100 Shares of Tshs. 100,000/= each.

13 Contingent Liabilities

The Company certifies that there were no contingent liabilities as at 31st December, 2021 .

14 Comparative Figures

Previous years' figures have been regrouped whenever considered necessary in order to make them comparable with the current year's figures.