

WORLD OIL LIMITED

DAR ES SALAAM

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

ADOLPH ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS AND AUDITORS

WORLD OIL LIMITED  
DAR ES SALAAM  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022

CONTENTS	Page No
CORPORATE INFORMATION	1
REPORT OF THE DIRECTORS	2
DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING	3
REPORT OF THE AUDITORS	4
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DE	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CASH FLOW	7
STATEMENT OF CHANGES IN OWNERS EQUITY	8
NOTES TO THE FINANCIAL STATEMENTS	9-13
WEAR & TEAR SCHEDULE	14
TAX COMPUTATION	15

WORLD OIL LIMITED

DAR ES SALAAM

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

CORPORATE INFORMATION

Directors

Gervas Bidyanguze  
Levina Bidyanguze  
Hekima Bidyanguze  
Economy Bidyanguze

Registered Office

Plot No.37 & 38  
Vijibweni Industrial Area  
Kigamboni Municipal  
Dar Es Salaam

Accountants

Adolph Associates  
5th Floor, Posta House Building  
Ghana/Ohio Street  
P.O.Box 19080  
Dar Es Salaam

Principal Bankers

BOA Bank (T) Limited  
NDC Branch  
Dar Es Salaam

CRDB Plc  
Pugu Road & Vijana Branch

WORLD OIL LIMITED

DAR ES SALAAM

REPORT OF THE DIRECTORS

**1 INTRODUCTION**

The Directors have pleasure to present this Report and the Audited financial statements for the year ended 31st December 2022, which disclose the state of affairs of the company.

**2 STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

The Companies act 2002, requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of financial yeay and of its profit or loss for that period, it also requires the directors to ensure that the company maintains proper accounting records, that disclose with reasonable accuracy at any time the financial position of the company. Directors are Also responsible for safeguarding the assets of the company and hence take reasonable steps for prevention and detection of frauds and other irregularities.

**3 PRINCIPAL ACTIVITIES**

The Principal activity of the company is that of sale of hospitality / (Fuel Storage) and Transportation.

**4 RESULTS**

The results for the period and the appropriation thereof are set out on page 5

**5 STAFF WELFARE**

**(a) Medical**

The business provides for incidental medical treatment expenses arising in the course of their duties

**(b) Financial assistance to employees**

The business gives financial assistance to employees in form of loans and advances depending on the financial ability of the business.

**6 EFFORTS TO SECURE NATIONAL BENEFITS AND GOALS**

The business supports the national economy by striving to purchase goods at the most competitive rates in the international and local markets in order to meet local demand.

**7 ADMINISTRATIVE EFFICIENCY**

All statutory dues and financial obligations were paid regularly and within stipulated time and business assets are adequately insured.

**8 AUDITORS**

The Auditors, Adolph Associates, have expressed their willingness to be re-appointed for next year.

**BY ORDER OF THE BOARD**



**DIRECTOR**

Date 20.1.23 .....



## INDEPENDENT AUDITORS' REPORT

*To the Shareholders of*

### WORLD OIL LIMITED

We have audited the accompanying financial statements of **WORLD OIL LIMITED** for as set out on page 5 to 8, which comprise the statement of financial position as at 31st December 2022 and the statement of income, statement of changes in equity and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.

#### Opinion

In our opinion, proper books of accounts have been kept and the financial statements which are in agreement therewith give a true and fair view of the financial position of **WORLD OIL LIMITED** as at 31<sup>st</sup> December 2022 and of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

#### Director's responsibility for the financial statements

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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.

#### Declaration of the head of finance

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No.2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned. A declaring person shall be a Certified Public Accountant.

However, there is no Declaration of the Head of Finance in this report as **World Oil Limited** does not have a Certified Public Accountant at the date of this report.

#### Emphasis of matter-Internal Control System

Without qualifying our audit opinion above, we draw attention to the company's system of internal control and financial sustainability which 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 directors that all the company's transactions have been reflected in the accounting records and adequately supported by relevant third-party documents.

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**Assurance - Financial Advisory - Tax - Consulting**  
**Partners : Charles Adolph, Manfred Kitendo.**

Also, where independent confirmation of the future financial sustainability of the company is uncertain, we have accepted assurances from the directors that the company will be able to secure financial resources to enable it to continue trading as a going concern in the foreseeable future.

Adolph Associates

*(Signed by: CPA Charles Adolph)*

Certified Public Accountants



WORLD OIL LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	<u>2022</u> Tshs '000'	<u>2021</u> Tshs '000'
<u>INCOME</u>			
Transport Income		45,712,972	49,813,567
Hospitality Income	9	12,626,172	13,792,738
		58,339,144	63,606,304
<u>COST OF SALE</u>			
Direct Costs	10	41,045,822	44,596,307
Gross Profit		<u>17,293,322</u>	<u>19,009,997</u>
Other income		<u>1,524,937</u>	<u>1,029,080</u>
		<u>18,818,258</u>	<u>20,039,077</u>
Gain on disposal		<u>33,898</u>	<u>706,780</u>
<u>LESS: EXPENDITURE</u>			
Personnel Expenses	11	3,810,165	3,557,238
Depreciation & Amortization	12	8,821,200	8,968,688
Administration	13	2,555,914	3,744,289
Financial	14	2,018,364	2,546,145
		<u>17,205,642</u>	<u>18,816,360</u>
Net profit/(Loss) Before tax		<u>1,646,515</u>	<u>1,929,496</u>
Income Tax Expense	17	951,182	1,439,619
Net profit/(Loss) after tax		695,333	489,878
Add: Retained profit (loss) B/fwd		25,522,318	26,232,440
Dividend		(1,200,000)	(1,200,000)
Retained Profit/(Loss) C/fwd to next year		<u>25,017,651</u>	<u>25,522,318</u>



WORLD OIL LIMITED

STATEMENT OF CHANGES IN OWNERS EQUITY

31 DECEMBER 2022

	Share capital <u>Tshs '000'</u>	Retained earnings <u>Tshs '000'</u>	Total Equity <u>Tshs '000'</u>
Share capital At 01 January 2022	7,300	-	7,300
Retained earning b/forward	-	25,522,318	25,522,318
Proposed dividend	-	(1,200,000)	-
Profit/(Loss) for the year 2022	-	<u>695,333</u>	<u>695,333</u>
Retained earning at the end 2022	<u>7,300</u>	<u>25,017,651</u>	<u>25,024,951</u>
Share Capital at 01 January 2021	7,300	-	7,300
Retained earning b/forward	-	26,232,440	26,232,440
Proposed dividend	-	(1,200,000)	-
Profit for the year 2021	-	<u>489,878</u>	<u>489,878</u>
Retained earning at the end 2021	<u>7,300</u>	<u>25,522,318</u>	<u>25,529,618</u>

**WORLD OIL LIMITED**

**31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

**1 SIGNIFICANCE OF ACCOUNTING POLICIES**

**General Information**

World Oil Limited is a limited liability company incorporated in Tanzania. The Principle activities is that of sale hospitality / (Fuel Storage) and Transportation. The address of its registered office and principle place of business is Plot No.37 & 38, Vijibweni Industrial Area, Temeke Municipal, Dar Es Salaam.

**2 Basis of preparation and accounting policies**

These financial statements have been prepared in accordance with the International financial Reporting Standards for Small and Medium -sized entities issued by the International Accounting standards board. They are prepared in Currency units of Tanzanian Shillings

**a Accounting Convention**

As in the previous years the financial statement have been prepared under the historical cost convention. A summary of more important accounting policies is set out below.

**b Property, Plant and Equipment**

Items of Property, Plant & Equipment are measured at cost less depreciation, continuing existence and usage of fixed assets is certified by the Management.

**c Depreciation**

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives on reducing installment basis. The following annual rates are used for this purpose

Motor Vehicle	25.00% p.a
Furniture & Fittings	12.50% p.a
Computers & Accessories	37.50% p.a
Land & Building	5.00% p.a
Plant & Machinery	25.00% p.a

If there is an indication that there has been a significant change in depreciation rate, useful life, or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**d Inventories**

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is Calculated using first in, first out (FIFO Method)

**e Trade and other receivables**

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest

**f Trade payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade Payables denominated in a foreign currency are translated into Tanzania Shillings at Reporting date Foreign Exchange gains or losses are included in other income

**g Bank loans and overdrafts**

Interest expense is recognised on the basis of the effective interest method and is included in finance costs

**WORLD OIL LIMITED****31 DECEMBER 2022****NOTES TO THE FINANCIAL STATEMENTS...Cont****3 REGROUPINGS**

Previous years figures have been re-grouped/re-arranged whenever necessary so as to make them comparable with current year figures.

	2022 Tshs '000'	2021 Tshs '000'
<b>4 CASH AND BANK BALANCE</b>		
Cash in hand and bank balance	5,703,003	7,674,043
	<u>5,703,003</u>	<u>7,674,043</u>
<b>5 DEBTORS &amp; PREPAYMENT</b>		
Debtors	5,393,191	5,367,548
Other receivables & prepayments	24,477	46,208
Vat refundable	3,319,429	3,323,014
Insurance Prepaid	711,408	543,089
Staff Loans	24,092	23,341
Over paid PAYE	14,576	14,576
	<u>9,487,172</u>	<u>9,317,777</u>
<b>6 CREDITORS &amp; ACCRUALS</b>		
Trade Creditors	2,499,399	699,227
Audit fee payable	30,000	25,000
City Service Levy payable	56,202	97,582
Vat, Corporate Tax, SDL, PAYE	102,183	274,303
Invoice Discounting	3,369,706	3,480,000
NHIF, HSLB, WCF & COTWU	1,693	7,932
Dividend Payable	1,200,000	1,200,000
	<u>7,259,183</u>	<u>5,784,045</u>
<b>7 TERM LOANS</b>		
Bank OD - Converted	4,696,857	5,520,793
Asset Finance Scania, Grw	12,556,422	17,039,955
	<u>17,253,279</u>	<u>22,560,749</u>
<b>8 TAXATION</b>		
Corporation Tax - Provision	951,182	1,439,619
Tax credit b/f	2,677,972	1,223,190
Tax paid on Self Assessment	(1,030,931)	(498,030)
W/Tax paid	(19,181)	-
Additional Assessments 2020 & 2019	-	713,193
Provisional tax paid during the year	(810,000)	(200,000)
Tax Provision for the year	<u>1,769,041</u>	<u>2,677,972</u>

WORLD OIL LIMITED

31 DECEMBER 2022

OPERATING EXPENSES

	2022 Tshs '000'	2021 Tshs '000'
<b>9 Hospitality Income</b>		
MT Meru & Others	9,778,867	8,548,059
TBS, GFI & KOJ	2,820,818	4,452,371
Weight & Measures	26,487	792,308
	<u>12,626,172</u>	<u>13,792,738</u>
<b>10 Direct Costs</b>		
Purchases of fuel-Own trucks	16,592,095	16,410,451
Motor Vehicle Hiring Expenses	3,814,186	3,921,850
Insurance - Commercial Vehicle	1,086,143	2,239,626
Insurance - Goods in Transit	29,125	31,349
Licences	194,126	165,017
Travelling & Accomodation expenses	2,597,204	3,593,644
Motor Vehicle Repairs, Tyres, Tubes & Spare Parts	3,922,080	3,945,520
Trucks Lubricants	130,221	228,048
Parking Expenses	734,126	1,089,393
Workshop and Consumables	86,235	101,487
Truck Transit and Security	842,741	705,018
M/vehicle Inspection & Stickers charges	27,502	27,994
Sumatra charges, Road permits, Tolls, Carbon, DRC, Comesa, Burundi cha	7,069,662	6,358,538
Ferry fees	163,214	202,126
Weight & Measures	20,348	725,870
TBS/GFI Oil Marking fees	2,851,434	4,494,416
Hospitality expenses	481,907	
Structures maintenance & Depot Consumables	403,474	355,961
	<u>41,045,822</u>	<u>44,596,307</u>
<b>11 Personnel Expenses</b>		
Salaries & Wages	3,071,558	2,817,636
PPF / NSSF Contribution	295,822	272,332
Skills & Development Levy	122,181	112,923
Casual Labour	120,292	111,642
Canteen expenses	72,949	63,454
Terminal benefits	34,715	88,301
Medical expenses	557	4,446
Health Insurance & Workers compensation	87,170	75,665
Training & Interview expenses	2,955	8,050
Staff Motivation	700	1,540
Overtime payment	1,265	1,250
	<u>3,810,165</u>	<u>3,557,238</u>

WORLD OIL LIMITED

31 DECEMBER 2022

OPERATING EXPENSES

12 <u>Depreciation &amp; Amortization</u>		
Depreciation	8,821,200	<u>8,968,688</u>
	<u>8,821,200</u>	<u>8,968,688</u>
13 <u>Administration</u>		
Telephone, Fax, Internet & Postage	132,855	111,094
Advertisement costs	13,649	24,056
Electricity & Water	131,823	212,980
Printing & Stationery	160,529	113,805
NEMC & OSHA Fees	27,030	23,540
Fine & Penalties	73,398	20,558
Truck Calibration & Meter Verification	249,655	302,084
City Service Charges	168,964	187,884
Professional & Consultancy fees	55,531	50,538
Audit fees	30,000	25,000
Office equipment-Repair & Maintenance	44,140	47,336
Office Motor vehicle repair & maintenance	69,644	78,260
Cleaning expenses	73,344	15,849
Land rent	54,997	57,723
Fire licences, & extinguisher services	45,502	40,815
Legal fees	15,680	26,233
Building & Industrial Risk Insurance	113,691	102,142
Non commercial vehicle Insurance	91,974	130,062
Insurance for Bond	60,304	10,796
Staff Uniforms	77,169	29,301
Travelling expenses	413,029	379,801
Funeral expenses	4,800	19,150
Subscription expenses	32,392	30,120
Work Permit & Visas	24,858	11,472
Valuation expenses	13,321	-
Bretia, EWURA & Business Licence	3,169	46,820
Property tax	9,659	-
Office expenses	64,675	272,740
Survey fees	21,416	-
Repair & Mantanance	260,356	216,266
CSR	10,800	20,047
Prior Year Taxes	-	1,104,504
Environment Audit & Plot fees	7,560	-
Realized Exchange Loss	-	33,313
	<u>2,555,914</u>	<u>3,744,289</u>
14 <u>Financial</u>		
Bank Charges & Commissions	112,485	97,567
Loan Interests	1,905,878	2,448,578
	<u>2,018,364</u>	<u>2,546,145</u>

WORLD OIL LIMITED

DAR ES SALAAM

FINANCIAL STATEMENTS

FOR THE YEAR ENDING DECEMBER 2022

NOTES (Continued)

15 FIXED ASSETS:

	Land Tshs '000'	Computers & Accessories Tshs '000'	Motor Vehicles, Trucks & Trailers Tshs '000'	Plant, Machinery & Structures Tshs '000'	Furniture, Fittings & equipment Tshs '000'	WIP Tshs '000'	Total Tshs '000'
<b><u>COST</u></b>							
At 1st January 2022	16,056,727	228,982	79,628,788	40,770,689	4,229,453	-	140,914,639
Additions	511,860	70,775	90,562	531,999	190,065	3,981,654	5,376,915
Disposals/Transfer	-	-	(33,898)	-	-	-	(33,898)
As at 31 December 2022	<u>16,568,587</u>	<u>299,757</u>	<u>79,685,452</u>	<u>41,302,687</u>	<u>4,419,518</u>	<u>3,981,654</u>	<u>146,257,656</u>
<b><u>DEPRECIATION</u></b>							
At 1st January 2022	-	199,128	57,232,043	16,926,047	3,367,469	-	77,724,687
Charge for the period	-	37,736	5,604,878	3,047,080	131,506	-	8,821,200
Eliminated in disposal	-	-	(33,898)	-	-	-	(33,898)
As at 31 December 2022	<u>-</u>	<u>236,864</u>	<u>62,803,022</u>	<u>19,973,127</u>	<u>3,498,975</u>	<u>-</u>	<u>86,511,988</u>
<b><u>NET BOOK VALUE</u></b>							
As at 31 December 2022	<u>16,568,587</u>	<u>62,893</u>	<u>16,882,430</u>	<u>21,329,560</u>	<u>920,543</u>	<u>3,981,654</u>	<u>59,745,668</u>
As at 31 December 2021	<u>16,056,727</u>	<u>29,854</u>	<u>22,396,745</u>	<u>23,844,642</u>	<u>861,984</u>	<u>-</u>	<u>63,189,952</u>

WORLD OIL LIMITED

31 DECEMBER 2022

16 WEAR & TEAR SCHEDULE

	Land Tshs '000'	Computers & Accessories Tshs '000'	Motor Vehicles, Trucks & Trailers Tshs '000'	Plant, Machinery & Structures Tshs '000'	Furniture, Fittings & equipment Tshs '000'	WIP Tshs '000'	TOTAL Tshs '000'
<b>COST</b>							
At 1st Jan 2022	16,056,727	228,982	79,628,788	40,770,689	4,229,453	-	140,914,639
Additions	511,860	70,775	90,562	531,999	-	3,981,654	5,186,850
Disposals	-	-	(33,898)	-	-	-	(33,898)
As at 31st December 2022	<u>16,568,587</u>	<u>299,757</u>	<u>79,685,452</u>	<u>41,302,687</u>	<u>4,229,453</u>	<u>3,981,654</u>	<u>146,067,591</u>
<b>Wear &amp; Tear Allowance</b>							
Claimed upto 1st January	-	199,128	57,232,043	10,265,337	2,696,455	-	70,392,962
Annual rate for the year	-	37,736	5,604,878	1,551,868	191,625	-	7,386,106
Disposal	-	-	(33,898)	-	-	-	(33,898)
Total W & T for the year	-	<u>236,864</u>	<u>62,803,022</u>	<u>11,817,204</u>	<u>2,888,080</u>	-	<u>77,745,170</u>
Net Book Value 2022	<u>16,568,587</u>	<u>62,893</u>	<u>16,882,430</u>	<u>29,485,483</u>	<u>1,341,373</u>	<u>3,981,654</u>	<u>68,322,421</u>

WORLD OIL LIMITED

31 DECEMBER 2022

17 COMPUTATION FOR PROVISION OF TAX

	<u>2022</u> <u>Tshs.</u> <u>Tshs '000'</u>	<u>2021</u> <u>Tshs.</u> <u>Tshs '000'</u>
Profit / (Loss) as per accounts	1,646,515	1,929,496
<u>Add:</u>		
Funeral expenses	4,800	19,150
Donation	10,800	20,047
Prior Year Taxes	-	1,104,504
Fines & Penalty	73,398	20,558
Depreciation	8,821,200	8,968,688
	<u>10,556,713</u>	<u>12,062,444</u>
<u>Less:</u>		
Wear & Tear Allowance	16 7,386,106	7,263,715
Adjusted Profit before Tax	<u>3,170,607</u>	<u>4,798,729</u>
Corporation Tax - Provision	17 951,182	1,439,619
Adjusted profit/(Loss) after tax	<u>2,219,425</u>	<u>3,359,110</u>
<u>TAX LIABILITY</u>		
Corporation Tax - Provision	17 951,182	1,439,619
<u>Less:</u>		
Tax credit b/f	2,677,972	1,223,190
Tax paid on Self Assessment	(1,030,931)	(498,030)
Additional Assessments 2020 & 2019	-	713,193
Withholding Tax	(19,181)	-
Provisional tax paid during the year	(810,000)	(200,000)
Tax Provision for the year	<u>1,769,041</u>	<u>2,677,972</u>

18 WEAR & TEAR SCHEDULE

W. D. V. as at 01.01.2022	176,260,411	172,969,707
Addition during the year	5,186,850	3,290,704
Disposal	-	-
Total	<u>181,447,261</u>	<u>176,260,411</u>
<u>Less Wear &amp; Tear:</u>		
On opening	82,083,069	74,819,354
Eliminate on disposal	-	-
Charged for the year	7,386,106	7,263,715
On addition @ 50%	-	-
Total	<u>89,469,175</u>	<u>82,083,069</u>
W.D.V. as at 31.12.2022	<u>91,978,086</u>	<u>94,177,342</u>