

ATLANTIC METAL LIMITED

**Annual report and financial statements
for the year ended 31 December 2020**

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ATLANTIC METAL LIMITED

Company information for the year ended 31 December 2020

Directors	Mr Mehmet Adnan Sahin Mr Gokhan Guven	- Turk - Turk
Registered office	P.O Box 21637, Cocacola Road Plot no 23, Light Industrial Area Mikocheni, Dar es salaam	
Company secretary	Mr Gokhan Guven P.O. Box 21637 Dar es salaam	
Bankers	Exim Bank Dar es salaam Tanzania	

ATLANTIC METAL LIMITED

Directors' report for the year ended 31 December 2020

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

Incorporation

The company is incorporated in Tanzania under the Companies Act 2002 on 13 March 2017 under the Certificate of Incorporation No 133811.

Principal activities

The principal activity of the company is fabrication, import and sale of aluminium and related products.

Directors' interests

The directors' interest in the share capital of the company is as follows:

	Ordinary shares of TZS 1,000 /- each	
	<u>2020</u>	
	No. of shares	Nominal value TZS
Mr Mehmet Adnan Sahin	50,000	50,000,000
Mr Gokhan Guven	50,000	50,000,000
	<u>100,000</u>	<u>100,000,000</u>

Results for the year

The performance of the company during the year is set out on page 5 of these financial statements.

Accountants

The accountants have indicated their willingness to continue in office and are eligible for re-appointment.

By order of the board

Mr Gokhan Guven
Director

Date: 30/12/2020



ATLANTIC METAL LIMITED

Statements of directors' responsibilities for the year ended 31 December 2020

The Companies Act 2002, requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2020 and of its operating results for the year then ended. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Mr Gokhan Guven
Director

Date: 30/12/20





**Practitioner's Compilation Report
To the Management of Atlantic Metal Limited
For the Year ended 31st December, 2020**

I have compiled the accompanying statements of financial statements of Atlantic Metal Limited based on information you have provided. These financial statements are presented in accordance with reporting framework. The financial statements comprise the statement of financial position of Atlantic Metal Limited Report for the year ended 31st December 2020, the statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the years the ended, and a summary of the significant accounting policies and other explanatory information.

Management is responsible for these financial statements, including adoption of the applicable financial reporting framework, and the accuracy and completeness of the information used to compile the financial statements.

We performed this compilation engagement in accordance with International Standards for Engagement and Related Services 4410 (Revised). This standard requires that I comply with quality control standards and relevant ethical requirements, including ethical principles of integrity, objectivity, professional competence and due care.

A compilation engagement involves applying expertise in accounting and financial reporting to assist management in preparing and presenting financial information. A compilation engagement does not include gathering evidence for the purpose of the expressing an audit opinion or review conclusion.


Shadrack L. Msekalile

DEMUS ASSOCIATES

Certified Public Accountant in Public Practice & Tax Advisory

P.O.Box 12665, DAR ES SALAAM

Date: 30/12/2021



ATLANTIC METAL LIMITED

Annual report and financial statements

For the year ended 31 December 2020

**DECLARATION OF THE INDEPENDENT ACCOUNTANT'S OF
ATLANTIC METAL LIMITED**

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.

It is the duty of a Professional Auditor to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I **Shadrack Samson** being independent auditor of Atlantic Metal Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Atlantic Metal Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Shadrack Samson

Position: Head of Auditor

NBAA Membership No: GA - 7710

ATLANTIC METAL LIMITED**Statement of Comprehensive Income
for the year ended 31 December 2020**

	Notes	2020 TZS	2019 TZS
Sales		910,997,918	783,754,670
Cost of sales	2	<u>(437,488,771)</u>	<u>(236,223,658)</u>
Gross profit		473,509,147	547,531,013
Administrative expenses		(408,809,078)	(537,433,828)
Foreign exchange loss		(13,344)	(6,590,173)
Depreciation		<u>(88,320,927)</u>	<u>(97,881,075)</u>
Profit / (Loss) before tax	3	(23,634,203)	(94,374,063)
Income tax expense	4	<u>-</u>	<u>-</u>
Profit / (Loss) for the year		<u><u>(23,634,203)</u></u>	<u><u>(94,374,063)</u></u>

ATLANTIC METAL LIMITED

**Statement of financial position
As at 31 December 2020**

	Notes	2020 TZS	2019 TZS
ASSETS			
Non-current assets			
Property, plant and equipments	5	589,530,920	664,292,526
Current assets			
Inventories		2,008,248,334	1,521,312,690
Trade and other receivables	6	190,323,729	-
Cash and bank balance	7	57,009,895	13,731,064
		<u>2,255,581,958</u>	<u>1,535,043,754</u>
Total assets		<u>2,845,112,878</u>	<u>2,199,336,280</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	100,000,000	100,000,000
Retained earnings		(364,640,718)	(168,629,530)
Total equity		<u>(264,640,718)</u>	<u>(68,629,530)</u>
Current liabilities			
Trade and other payables	10	3,130,517,275	2,277,965,810
Taxation	9	(20,763,678)	(10,000,000)
		<u>3,109,753,597</u>	<u>2,267,965,810</u>
Total equity and liabilities		<u>2,845,112,878</u>	<u>2,199,336,280</u>

The financial statements were approved by the board of directors on 29/07/2021

Mr Gokhan Guven
Director



The accounting policies and notes on pages 9 to 16 form part of these financial statements.
Practitioners' compilation report on page 4

ATLANTIC METAL LIMITED

**Statement of changes in equity
for the year ended 31 December 2020**

	Share capital TZS	Retained earnings TZS	Total TZS
Balance at 1 January 2019	100,000,000	(74,255,467)	25,744,533
Advance towards share capital	-	-	-
Profit / (loss) for the year	-	(94,374,063)	(94,374,063)
Balance at 31 December 2019	<u>100,000,000</u>	<u>(168,629,530)</u>	<u>(68,629,530)</u>
Balance at 01 January 2020	100,000,000	(168,629,530)	(68,629,530)
Prior year adjustment (corporate tax opening balance)	-	(7,748,715)	(7,748,715)
Prior year adjustment (non-corporate taxes payable)	-	(164,628,270)	(164,628,270)
Profit for the year	-	(23,634,203)	(23,634,203)
Balance at 31 December 2020	<u>100,000,000</u>	<u>(364,640,718)</u>	<u>(264,640,718)</u>

ATLANTIC METAL LIMITED

**Statement of cash flow
for the year ended 31 December 2020**

	Note	2020 TZS	2019 TZS
Operating activities			
Cash (deficit) / surplus from operation	11	75,350,547	(380,106,798)
Withholding tax		(14,512,393)	-
Tax paid		(4,000,000)	(4,000,000)
Net cash (decrease) / Increase from operation		56,838,154	(384,106,798)
Investing activities			
Purchase of fixed assets		(13,559,322)	(19,965,356)
Net cash used in investing activities		(13,559,322)	(19,965,356)
Financing activities			
Paid up share capital		-	-
Advance towards share capital		-	-
Net cash used in financing activities		-	-
Net (decrease) / Increase in cash and bank balance		43,278,831	(404,072,155)
Cash and cash equivalents at the beginning of the year		13,731,062	417,803,217
Cash and bank balance at the end of the year	7	57,009,895	13,731,062

The accounting policies and notes on pages 9 to 16 form part of these financial statements.
Practitioners' compilation report on page 4

ATLANTIC METAL LIMITED

Notes to the financial statements for the year ended 31 December 2020

1. Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under historical cost convention.

(b) Revenue and expenditure recognition

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

Sales of products

Sales is recognised upon despatch of goods to customers and represents sales net of sales returns and value added tax.

Expenditure:

Expenses are recognised in the income statement in the year in which they are incurred.

(c) Translation of foreign currency

Transactions in foreign currencies during the year are converted into Tanzanian Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at rates ruling at that date. The resulting differences from conversion of and translation are dealt with in the income statement in the year to which they relate.

(d) Property, plant and equipments

All categories of property, plant and equipments are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of items. Subsequently costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Other items of property, plant and equipments are stated at historical cost less accumulated depreciation and accumulated impairment loss.

ATLANTIC METAL LIMITED

Notes to the financial statements (continued) for the year ended 31 December 2020

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life using the following annual rates:

Computers & Accessories	37.5%
Motor Vehicle	25.0%
Furniture and fittings	12.5%
Workshop tools & equipments	12.5%

(e) Inventories

Inventories are stated at lower of cost and net realisable value. Net realisable value is estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(f) Cash and bank balance

Cash and bank balance are carried in the statement of financial position at cost.

(g) Trade and other receivables

Trade receivables are recognised initially at original invoice amount.

Other receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified.

(h) Trade and other payables

Trade and other payables are stated at their nominal value.

ATLANTIC METAL LIMITED

**Notes to the financial statements (continued)
for the year ended 31 December 2020**

(j) Employees' benefits

Pension obligations

The company contributes to the statutory The National Social Security Fund. This is a defined contribution scheme registered under the NSSF Act. The company's contributions are charged to the income statement in the year to which they relate.

Provision for liabilities and charges

Employees' entitlements to annual leave are recognised when they accrue to employees.

(k) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

ATLANTIC METAL LIMITED**Notes to the financial statements (continued)
for the year ended 31 December 2020**

	2020 TZS	2019 TZS
2. Cost of sales		
Inventory at 1 January	1,521,312,680	588,634,670
Purchases	814,452,784	1,025,873,264
Direct expenses	109,971,631	143,028,405
	<u>2,445,737,105</u>	<u>1,757,536,347</u>
Inventory at 31 December	<u>(2,008,248,334)</u>	<u>(1,521,312,690)</u>
	<u>437,488,771</u>	<u>236,223,657</u>
3. Operating profit		
The following items have been charged in arriving at operating profit:		
Depreciation	88,320,927	97,881,075
Staff cost	218,695,280	150,327,459
Accountancy fees	233,051	233,051
4. Income tax expense		
Current tax	-	-
Deferred tax (Note 13)	-	-
	<u>-</u>	<u>-</u>

ATLANTIC METAL LIMITED

Notes to the financial statements (Continued)
for the year ended 31 December 2020

5. Property, plant and equipment

	Computers & Office Equipment		Motor Vehicle		Furniture and fittings		Tools & equipments		Total	
	Tzs		Tzs		Tzs		Tzs		Tzs	
Cost										
At the start of the year	2,000,000		22,500,000		11,465,356		535,452,280		871,417,636	
Additions	-		13,559,322		-		-		13,559,322	
At the end of the year	2,000,000		36,059,322		11,465,356		835,452,280		884,976,958	
Depreciation										
At start of the year	750,000		9,843,750		1,433,170		195,098,191		207,125,111	
Charge for the year	468,750		6,553,893		1,254,023		80,044,251		88,320,927	
At end of the year	1,218,750		16,397,643		2,687,193		275,142,452		295,446,038	
As at 31 December 2020	781,250		19,661,679		8,776,163		560,309,828		589,530,920	
As at 31 December 2019	1,250,000		12,656,250		10,032,186		640,354,089		664,292,525	

ATLANTIC METAL LIMITED

Notes to the financial statements
for the year ended 31 December 2020

	2020 TZS	2019 TZS
6. Trade and other receivables		
Advances paid to suppliers	167,680,557	-
Value added tax (Vat)	22,643,172	-
	<u>190,323,729</u>	<u>-</u>
7. Cash and bank balances		
Cash in hand	1,956,008	300,395
Cash at bank	55,053,887	13,430,669
	<u>57,009,895</u>	<u>13,731,064</u>
8. Share capital		
<i>Authorised</i>		
100,000 ordinary shares of Tzs. 1,000 each	<u>100,000,000</u>	<u>100,000,000</u>
<i>Paid up</i>		
Issued and paid up		
100,000 ordinary shares of Tzs. 1,000 each	<u>100,000,000</u>	<u>100,000,000</u>
9. Taxation		
Balance b/f	(10,000,000)	(6,000,000)
Prior years' adjustment	7,748,715	-
Current year	-	-
Less: Provisional tax paid	(4,000,000)	(4,000,000)
Less: Withholding tax paid	(14,512,393)	-
	<u>(20,763,678)</u>	<u>(10,000,000)</u>

ATLANTIC METAL LIMITED

Notes to the financial statements
for the year ended 31 December 2020

	2020 TZS	2019 TZS
10. Trade and other payables		
Trade payables	725,348,981	641,443,097
Accruals and provisions	86,312,571	44,292,076
Advances received from customers	2,154,227,453	1,559,723,085
Non corporate taxes payable (2018,2019 audit)	164,628,270	-
Value added tax (Vat)	-	32,507,552
	<u>3,130,517,275</u>	<u>2,277,965,810</u>
11. Cash generated from operations		
Reconciliation of profit before tax to cash generated from operations:		
Operating profit / (loss) before tax	(23,634,203)	(94,374,063)
Adjustments for:		
Depreciation	88,320,927	97,881,075
Prior period adjustment (accrued non-corporate taxes payable)	(164,628,270)	-
Changes in working capital		
(Increase) / decrease in inventories	(486,935,644)	(932,678,012)
(Increase) / decrease in trade and other receivables	(190,323,729)	270,852,894
Increase / (decrease) in trade and other payables	852,551,466	278,211,308
Cash (deficit) / surplus from operation	<u>75,350,547</u>	<u>(380,108,798)</u>

ATLANTIC METAL LIMITED

Tax computation for the year ended 31 December 2020

	TZS
Profit / (loss) as per accounts	(23,634,203)
Add: <u>Non-allowable expenses</u>	
Fines & penalties	310,000
Depreciation	<u>88,320,927</u>
	64,996,724
Less: Depreciation allowance	<u>(88,320,927)</u>
Taxable income / (loss)	<u>(23,324,203)</u>
Corporation tax at 30%	
Less: Provisional tax paid	(4,000,000)
Withholding tax	<u>(14,512,393)</u>
	(18,512,393)
Balance payable / (recoverable)	<u>(18,512,393)</u>

Schedule of depreciation allowance

	Class 1	Class 2	Class 3	Total
	TZS	TZS	TZS	TZS
	37.5%	25%	12.5%	
W.D.V as at 1 Jan 2020	1,250,000	12,656,250	650,386,275	664,292,525
Additions	-	13,559,322	-	13,559,322
	<u>1,250,000</u>	<u>26,215,572</u>	<u>650,386,275</u>	<u>677,851,847</u>
Less: Depreciation allowance	(468,750)	(6,553,893)	(81,298,284)	(88,320,927)
W.D.V as at 31 December 2020	<u>781,250</u>	<u>19,661,679</u>	<u>569,087,991</u>	<u>589,530,920</u>