

ATLANTIC METAL LIMITED

**Annual report and financial statements
for the year ended 31 December 2021**

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ATLANTIC METAL LIMITED

Company information for the year ended 31 December 2021

Directors	Mr Mehmet Adnan Sahin	-	Turk
	Mr Gokhan Guven	-	Turk

Registered office	P.O.Box 21637, Cocacola Road Plot no 23, Light Industrial Area Mikocheni, Dar es salaam
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Company secretary	Mr Gokhan Guven P.O. Box 21637 Dar es salaam
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Bankers	Exim Bank Dar es salaam Tanzania
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ATLANTIC METAL LIMITED

Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

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:



ATLANTIC METAL LIMITED

Statements of directors' responsibilities for the year ended 31 December 2021

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 2021 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: 21/01/2023



A large, stylized handwritten signature in blue ink, appearing to be "G. Guven".



**Practitioner's Compilation Report
To the Management of ATLANTIC METAL LIMITED
For the Year ended 31st December, 2021**

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 for the year ended 31st December 2021, 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: _____




**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, 2021 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 2021**

	Notes	2021 TZS	2020 TZS
Sales		1,452,558,324	910,997,918
Cost of sales	2	<u>(1,159,309,047)</u>	<u>(437,488,771)</u>
Gross profit		293,249,276	473,509,147
Administrative expenses		(464,305,990)	(408,809,078)
Foreign exchange loss		-	(13,344)
Depreciation		<u>(251,604,172)</u>	<u>(88,320,927)</u>
Profit / (Loss) before tax	3	(422,660,885)	(23,634,203)
Income tax expense	4	<u>-</u>	<u>-</u>
Profit / (Loss) for the year		<u><u>(422,660,885)</u></u>	<u><u>(23,634,203)</u></u>

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 financial position
As at 31 December 2021**

	Notes	2021 TZS	2020 TZS
ASSETS			
Non-current assets			
Property, plant and equipments	5	1,740,005,022	1,989,530,920
Current assets			
Inventories		661,230,549	608,248,334
Trade and other receivables	6	125,243,575	190,323,729
Cash and cash equivalents	7	11,866,011	57,009,895
		<u>798,340,135</u>	<u>855,581,958</u>
Total assets		<u><u>2,538,345,156</u></u>	<u><u>2,845,112,878</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	100,000,000	100,000,000
Retained earnings		(790,693,393)	(364,640,718)
Total equity		<u>(690,693,393)</u>	<u>(264,640,718)</u>
Current liabilities			
Trade and other payables	10	3,281,414,616	3,130,517,275
Taxation	9	(52,376,067)	(20,763,678)
		<u>3,229,038,550</u>	<u>3,109,753,597</u>
Total equity and liabilities		<u><u>2,538,345,156</u></u>	<u><u>2,845,112,878</u></u>

The financial statements were approved by the board of directors on

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 2021**

	Share capital TZS	Retained earnings TZS	Total TZS
Balance at 1 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 / (loss) 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>
Balance at 01 January 2021	100,000,000	(364,640,718)	(264,640,718)
Prior year withholding on rent paid (not accrued in prior year)	-	(3,391,790)	(3,391,790)
Profit for the year	-	(422,660,885)	(422,660,885)
Balance at 31 December 2021	<u>100,000,000</u>	<u>(790,693,393)</u>	<u>(690,693,393)</u>

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 cash flow
for the year ended 31 December 2021**

	Note	2021 TZS	2020 TZS
Operating activities			
Cash (deficit) / surplus from operation	11	(11,453,223)	75,350,547
Withholding tax		(27,612,389)	(14,512,393)
Tax paid		(4,000,000)	(4,000,000)
Net cash (decrease) / increase from operation		(43,065,612)	56,838,154
Investing activities			
Purchase of fixed assets		(2,078,273)	(13,559,322)
Net cash used in investing activities		(2,078,273)	(13,559,322)
Financing activities			
Paid up share capital		-	-
Advance towards share capital		-	-
Net cash used in financing activities		-	-
Net (decrease) / increase in cash and bank balance		(45,143,886)	43,278,831
Cash and cash equivalents at the beginning of the year		57,009,895	13,731,062
Cash and bank balance at the end of the year	7	11,866,011	57,009,895

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 2021

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 statement 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 within 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. Property, Plant & Equipment that had been wrongly classified as inventory in prior periods has been correctly reclassified as proposed by the directors. Comparatives have been restated to take into account the reclassifications

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

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ATLANTIC METAL LIMITED

Notes to the financial statements (continued) for the year ended 31 December 2021

Depreciation is calculated on the straight line method to write off the cost of each asset to its residual values 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. Property, Plant & Equipment that had been wrongly classified as inventory in prior periods has been correctly reclassified in the current period. Comparatives have been restated to take into account the reclassifications.

(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.

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ATLANTIC METAL LIMITED

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

(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.

Practitioners' compilation report on page 4

ATLANTIC METAL LIMITED**Notes to the financial statements (continued)
for the year ended 31 December 2021**

	2021 TZS	2020 TZS
2. Cost of sales		
Inventory at 1 January	608,248,334	121,312,690
Purchases	1,068,110,407	814,452,784
Direct expenses	144,180,855	109,971,631
	<u>1,820,539,596</u>	<u>1,045,737,105</u>
Inventory at 31 December	(661,230,549)	(608,248,334)
	<u>1,159,309,047</u>	<u>437,488,771</u>
3. Operating profit		
The following items have been charged in arriving at operating profit:		
Depreciation	251,604,172	88,320,927
Staff cost	-	218,595,280
Accountancy fees	423,729	233,051
4. Income tax expense		
Current tax	-	-
Deferred tax (Note 13)	-	-
	<u>-</u>	<u>-</u>

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ATLANTIC METAL LIMITED

Notes to the financial statements (Continued)
for the year ended 31 December 2021

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	36,059,322	11,465,356	2,235,452,280	2,284,976,958
Additions	-	-	1,187,966	890,307	2,078,273
At the end of the year	<u>2,000,000</u>	<u>36,059,322</u>	<u>12,653,322</u>	<u>2,236,342,587</u>	<u>2,287,055,231</u>
Depreciation					
At start of the year	1,218,750	16,397,643	2,687,193	275,142,452	295,446,038
Charge for the year	292,969	4,915,420	1,245,766	245,150,017	251,604,172
At end of the year	<u>1,511,719</u>	<u>21,313,063</u>	<u>3,932,959</u>	<u>520,292,469</u>	<u>547,050,210</u>
As at 31 December 2021	<u>488,281</u>	<u>14,746,259</u>	<u>8,720,363</u>	<u>1,716,050,118</u>	<u>1,740,005,022</u>
As at 31 December 2020	<u>781,250</u>	<u>19,661,679</u>	<u>8,778,163</u>	<u>1,960,309,828</u>	<u>1,989,530,920</u>

ATLANTIC METAL LIMITED**Notes to the financial statements
for the year ended 31 December 2021**

	2021 TZS	2020 TZS
6. Trade and other receivables		
Trade receivables	26,649,542	-
Advances paid to suppliers	98,594,033	167,680,557
Value added tax (Vat)	-	22,643,172
	<u>125,243,575</u>	<u>190,323,729</u>
7. Cash and cash equivalents		
Cash in hand	1,270,577	1,956,008
Cash at bank	10,595,434	55,053,887
	<u>11,866,011</u>	<u>57,009,895</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	(20,763,678)	(10,000,000)
Prior years' adjustment		7,748,715
Current year	-	-
Less: Provisional tax paid	(4,000,000)	(4,000,000)
Less: Withholding tax paid	(27,612,389)	(14,512,393)
	<u>(52,376,067)</u>	<u>(20,763,678)</u>

Practitioners' compilation report on page 4

ATLANTIC METAL LIMITED**Notes to the financial statements
for the year ended 31 December 2021**

	2021 TZS	2020 TZS
10. Trade and other payables		
Trade payables	577,716,709	725,348,981
Accruals and provisions	108,279,878	86,312,571
Advances received from customers	2,411,204,534	2,154,227,453
Non-corporate taxes payable (2018,2019 audit)	164,628,270	164,628,270
Value added tax (Vat)	19,585,225	-
	<u>3,281,414,616</u>	<u>3,130,517,275</u>
11. Cash generated from operations		
Reconciliation of profit before tax to cash generated from operations:		
Operating profit / (loss) before tax	(422,660,885)	(23,634,203)
Adjustments for:		
Depreciation	251,604,172	88,320,927
Prior period adjustment (accrued non-corporate taxes payable)	-	(164,628,270)
Prior year withholding on rent paid (not accrued in prior year)	(3,391,790)	-
Changes in working capital		
(Increase) / decrease in inventories	(52,982,215)	(486,935,644)
(Increase) / decrease in trade and other receivables	65,080,154	(190,323,729)
Increase / (decrease) in trade and other payables	150,897,341	852,551,466
Cash (deficit) / surplus from operations	<u>(11,453,223)</u>	<u>75,350,547</u>

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ATLANTIC METAL LIMITED

**Schedules to the financial statements
for the year ended 31 December 2021**

	2021	2020
	TZS	TZS
A1. Administrative expenses		
Accountancy fees		
Bank charges	423,729	233,051
Brela filing charges	6,093,974	4,537,860
Business development costs	22,000	-
Business license	724,500	59,500
Casual labour	600,000	600,000
City service levy	8,000	-
Cleaning expense	4,357,675	2,732,994
OSHA charges	304,000	20,000
Consultancy	2,300,000	-
Domain registration and hosting	6,500,000	6,000,000
Electricity and water	631,797	-
Employment cost	5,696,825	6,259,868
Fines and penalties	235,724,574	218,595,280
Fire inspection and compliance	397,500	310,000
Garbage and refuse collection	120,000	-
Insurance (bond)	1,800,000	-
Internet expense	2,683,663	-
Medical expenses	754,882	50,000
Postage, telephone, fax	3,092,700	2,015,599
Printing and stationery	1,283,007	1,608,899
Repairs and maintenance	2,911,722	1,034,863
Rent	10,636,587	3,917,574
Security expense	91,908,000	120,501,600
Transport, travelling and accommodation	10,525,425	9,661,020
Vehicle running	38,748,963	10,357,030
	36,056,467	20,313,941
	<u>464,305,990</u>	<u>408,809,078</u>
A2. Employment cost		
Salaries and wages	178,436,141	161,665,912
Staff welfare	29,533,255	35,556,173
Pension contribution	17,843,616	12,872,763
Skills and development levy	7,137,446	6,883,776
Work permit cost	1,401,000	-
Workers Compensation Fund	1,373,116	1,616,656
	<u>235,724,574</u>	<u>218,595,280</u>