

# ATLANTIC METAL LIMITED

P. O. BOX 21637, DAR ES SALAAM, TANZANIA.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER, 2022

2023

**DEMUS**   
**ASSOCIATES**  
*Certified Public Accountants in Public*

*Red Cross Building,  
Morogoro/Bibi Titi Streets,  
P.O. Box 12665,  
Dar Es Salaam,  
Tanzania*

*Tel: +255 22 2 138034,  
Fax: +255 22 2 138034*

**ATLANTIC METAL LIMITED**

**Annual report and financial statements  
for the year ended 31 December 2022**

---

<b>CONTENTS</b>	<b><u>PAGE</u></b>
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Practitioners' Compilation Report	4
Independent Accountant's Report	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flow	9
Notes to the Financial Statements	10-16

**ATLANTIC METAL LIMITED**

**Company information  
for the year ended 31 December 2022**

---

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

**ATLANTIC METAL LIMITED**

**Directors' report  
for the year ended 31 December 2022**

The directors present their report and the audited financial statements for the year ended 31 December 2022.

**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>2022</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 2022

---

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 2022 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





**Practitioner's Compilation Report**  
**To the Management of ATLANTIC METAL LIMITED**  
**For the Year ended 31<sup>st</sup> December, 2022**

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 31<sup>st</sup> December 2022, 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.

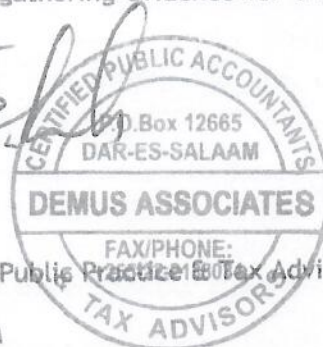
  
Shadrack L. Msekali

DEMUS ASSOCIATES

Certified Public Accountant in Public Practice & Tax Advisory

P.O. Box 12665, DAR ES SALAAM

Date: \_\_\_\_\_



**ATLANTIC METAL LIMITED**  
*Annual report and financial statements*  
*For the year ended 31 December 2022*

**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, 2022 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: ACPA - 4503

ATLANTIC METAL LIMITED

Statement of Comprehensive Income  
for the year ended 31 December 2022

	Notes	2022 TZS	2021 TZS
<b>Sales</b>		1,985,437,310	1,452,558,324
Cost of sales	2	<u>(1,564,926,349)</u>	<u>(1,159,309,047)</u>
<b>Gross profit</b>		420,510,961	293,249,276
Administrative expenses		(712,891,929)	(464,305,990)
Foreign exchange loss		(212,868)	-
Depreciation		<u>(220,600,883)</u>	<u>(251,604,172)</u>
<b>Profit / (Loss) before tax</b>	3	(513,194,718)	(422,660,885)
Income tax expense	4	<u>-</u>	<u>-</u>
<b>Profit / (Loss) for the year</b>		<u><u>(513,194,718)</u></u>	<u><u>(422,660,885)</u></u>

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

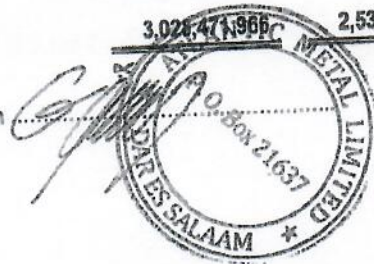
ATLANTIC METAL LIMITED

Statement of financial position  
As at 31 December 2022

	Notes	2022 TZS	2021 TZS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipments	5	1,525,135,901	1,740,005,022
<b>Current assets</b>			
Inventories	6	100,541,970	661,230,549
Trade and other receivables	6	470,936,663	125,243,575
Cash and cash equivalents	7	931,857,432	11,866,011
		<u>1,503,336,064</u>	<u>798,340,135</u>
<b>Total assets</b>		<u>3,028,471,966</u>	<u>2,538,345,156</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	100,000,000	100,000,000
Retained earnings		(1,302,888,111)	(790,693,393)
<b>Total equity</b>		<u>(1,202,888,111)</u>	<u>(690,693,393)</u>
<b>Current liabilities</b>			
Trade and other payables	10	4,356,710,301	3,261,414,616
Taxation	9	(125,350,223)	(52,376,067)
		<u>4,231,360,078</u>	<u>3,229,038,550</u>
<b>Total equity and liabilities</b>		<u>3,028,471,966</u>	<u>2,538,345,156</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 2022**

	Share capital TZS	Retained earnings TZS	Total TZS
<b>Balance at 01 January 2021</b>	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 / (loss) for the year	-	(422,660,885)	(422,660,885)
<b>Balance at 31 December 2021</b>	<u>100,000,000</u>	<u>(790,693,393)</u>	<u>(690,693,393)</u>
<b>Balance at 01 January 2022</b>	100,000,000	(790,693,393)	(690,693,393)
2019 provisional tax paid in prior period	-	1,000,000	1,000,000
Profit / (loss) for the year	-	(513,194,718)	(513,194,718)
<b>Balance at 31 December 2022</b>	<u>100,000,000</u>	<u>(1,302,888,111)</u>	<u>(1,202,888,111)</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 2022**

	Note	2022 TZS	2021 TZS
<b>Operating activities</b>			
Cash (deficit) / surplus from operation	11	998,697,340	(11,453,223)
Withholding tax		(68,974,156)	(27,612,389)
Tax paid		(4,000,000)	(4,000,000)
<b>Net cash (decrease) / increase from operation</b>		<b>925,723,184</b>	<b>(43,065,612)</b>
<b>Investing activities</b>			
Purchase of fixed assets		(5,731,763)	(2,078,273)
<b>Net cash used in investing activities</b>		<b>(5,731,763)</b>	<b>(2,078,273)</b>
<b>Financing activities</b>			
Paid up share capital		-	-
Advance towards share capital		-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
Net (decrease) / increase in cash and bank balance		919,991,420	(45,143,886)
Cash and cash equivalents at the beginning of the year		11,866,011	57,009,895
<b>Cash and bank balance at the end of the year</b>	7	<b>931,857,432</b>	<b>11,866,011</b>

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 2022

---

#### 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.

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 2022

---

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.

#### (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 2022**

---

**(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 2022**

	2022 TZS	2021 TZS
<b>2. Cost of sales</b>		
Inventory at 1 January	661,230,549	608,248,334
Purchases	799,787,207	1,068,110,407
Direct expenses	<u>204,450,563</u>	<u>144,180,855</u>
	1,665,468,319	1,820,539,596
Inventory at 31 December	<u>(100,541,970)</u>	<u>(661,230,549)</u>
	<u>1,564,926,349</u>	<u>1,159,309,047</u>
<b>3. Operating profit</b>		
The following items have been charged in arriving at operating profit:		
Depreciation	220,600,883	251,604,172
Staff cost	281,939,392	235,724,574
Accountancy fees	423,729	423,729
<b>4. Income tax expense</b>		
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 2022

5. Property, plant and equipment

	Computers & Office Equipment		Motor Vehicle		Furniture and fittings		Tools & equipments		Total	
	Tzs		Tzs		Tzs		Tzs		Tzs	
<b>Cost</b>										
At the start of the year	2,000,000		36,059,322		12,653,322		2,236,342,587		2,287,055,231	
Additions	550,847		2,245,763		1,236,000		1,699,153		5,731,763	
At the end of the year	<b>2,550,847</b>		<b>38,305,085</b>		<b>13,889,322</b>		<b>2,238,041,740</b>		<b>2,292,786,994</b>	
<b>Depreciation</b>										
At start of the year	1,511,719		21,313,063		3,932,959		520,292,469		547,050,210	
Charge for the year	389,673		4,248,006		1,244,545		214,718,659		220,600,883	
At end of the year	<b>1,901,392</b>		<b>25,561,069</b>		<b>5,177,504</b>		<b>735,011,128</b>		<b>767,651,093</b>	
As at 31 December 2022	<b>649,455</b>		<b>12,744,017</b>		<b>8,711,818</b>		<b>1,503,030,612</b>		<b>1,525,135,901</b>	
As at 31 December 2021	<b>488,281</b>		<b>14,746,259</b>		<b>8,720,363</b>		<b>1,716,050,118</b>		<b>1,740,005,021</b>	

Practitioners' compilation report on page 4

ATLANTIC METAL LIMITED

Notes to the financial statements  
for the year ended 31 December 2022

	2022 TZS	2021 TZS
<b>6. Trade and other receivables</b>		
Trade receivables	273,540,000	26,649,542
Advances paid to suppliers	192,439,802	98,594,033
Value added tax - Unclaimed Credit	4,956,861	-
	<u>470,936,663</u>	<u>125,243,575</u>
<b>7. Cash and cash equivalents</b>		
Cash in hand	4,217,679	1,270,577
Cash at bank	927,639,753	10,595,434
	<u>931,857,432</u>	<u>11,866,011</u>
<b>8. Share capital</b>		
<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>
<b>9. Taxation</b>		
Balance b/f	(52,376,067)	(20,763,678)
Prior years' adjustment		
Current year	-	-
Less: Provisional tax paid	(4,000,000)	(4,000,000)
Less: Withholding tax paid	(68,974,156)	(27,612,389)
	<u>(125,350,223)</u>	<u>(52,376,067)</u>

ATLANTIC METAL LIMITED

Notes to the financial statements  
for the year ended 31 December 2022

	2022 TZS	2021 TZS
<b>10. Trade and other payables</b>		
Trade payables	17,565,000	577,716,709
Accruals and provisions	130,586,723	108,279,878
Advances received from customers	3,909,002,814	2,411,204,534
Non-corporate taxes payable (2018,2019 audit)	149,628,270	164,628,270
Value added tax (Vat)	149,927,494	19,585,225
	<u>4,356,710,301</u>	<u>3,281,414,616</u>
<b>11. Cash generated from operations</b>		
Reconciliation of profit before tax to cash generated from operations:		
Operating profit / (loss) before tax	(513,194,718)	(422,660,885)
<b>Adjustments for:</b>		
Depreciation	220,600,883	251,604,172
Prior period provisional paid in prior period (equity)	1,000,000	-
Prior year withholding on rent paid (not accrued in prior year)	-	(3,391,790)
<b>Changes in working capital</b>		
(Increase) / decrease in inventories	560,688,579	(52,982,215)
(Increase) / decrease in trade and other receivables	(345,693,088)	65,080,154
Increase / (decrease) in trade and other payables	1,075,295,685	150,897,341
<b>Cash (deficit) / surplus from operations</b>	<u>998,697,340</u>	<u>(11,453,223)</u>

**ATLANTIC METAL LIMITED**

**Schedules to the financial statements  
for the year ended 31 December 2022**

	2022	2021
	TZS	TZS
<b>A1. Administrative expenses</b>		
Accountancy fees	423,729 ✓	423,729
Advertisement and marketing	12,120,000 ✓	-
Bank charges	9,053,068	6,093,974
Brela filing charges	-	22,000
Business development costs	-	724,500
Business license	600,000	600,000
Casual labour	-	8,000
City service levy	5,965,312	4,357,675
Cleaning expense	679,068	304,000
OSHA charges	-	2,300,000
Consultancy	7,540,000	6,500,000
Management fees	65,000,000 ✓	-
Domain registration and hosting	499,936	631,797
Electricity and water	7,003,103	5,696,825
Employment cost	A2 281,939,392	235,724,574
Fines and penalties	502,500	397,500
Fire inspection and compliance	1,000,000	120,000
Garbage and refuse collection	4,300,600	1,800,000
Insurance	10,938,658	2,683,663
Internet expense	2,280,441	754,882
Legal fees	13,800,000 ✓	-
Medical expenses	-	3,092,700
Postage, telephone, fax	2,640,594	1,283,007
Printing and stationery	5,685,304	2,911,722
Repairs and maintenance	14,316,834 ✓	10,636,587
Rent	199,290,500 ✓	91,908,000
Security expense	11,000,000	10,525,425
Transport, travelling and accommodation	16,683,213 ✓	38,748,963
Vehicle running	39,629,677	36,056,467
	<u>712,891,929</u>	<u>464,305,990</u>
<b>A2. Employment cost</b>		
Salaries and wages	236,194,538	178,436,141
Staff welfare	11,388,208	29,533,255
Pension contribution	23,619,454	17,843,616
Skills and development levy	9,447,781	7,137,446
Work permit cost	-	1,401,000
Workers Compensation Fund	1,289,411	1,373,116
	<u>281,939,392</u>	<u>235,724,574</u>

**ATLANTIC METAL LIMITED**

**Tax computation for the year ended 31 December 2022**

	TZS
Profit / (loss) as per accounts	(513,194,718)
Add: <u>Non-allowable expenses</u>	
Fines & penalties	502,500
Depreciation	<u>220,600,883</u>
	(292,091,336)
Less: Depreciation allowance	<u>(220,600,883)</u>
<b>Taxable income / (loss)</b>	<b><u>(512,692,218)</u></b>
Corporation tax at 30%	-
Less: Provisional tax paid	(4,000,000)
Withholding tax on income paid	<u>(68,974,156)</u>
	<u>(72,974,156)</u>
<b>Balance payable / (recoverable)</b>	<b><u>(72,974,156)</u></b>

**Schedule of depreciation allowance**

	Class 1	Class 2	Class 3	Total
	TZS	TZS	TZS	TZS
	37.5%	25%	12.5%	
<b>W.D.V as at 1 Jan 2022</b>	488,281	14,746,259	1,724,770,481	1,740,005,021
Additions	550,847	2,245,763	2,935,153	5,731,763
	<u>1,039,128</u>	<u>16,992,022</u>	<u>1,727,705,634</u>	<u>1,745,736,784</u>
Less: Depreciation allowance	(389,673)	(4,248,006)	(215,963,204)	(220,600,883)
<b>W.D.V as at 31 December 2022</b>	<b><u>649,455</u></b>	<b><u>12,744,017</u></b>	<b><u>1,511,742,430</u></b>	<b><u>1,525,135,901</u></b>