

Sumpra Limited
(Registration number 44911)
Financial statements
for the year ended 31 December 2022

Sumpra Limited

(Registration number: 44911)

Financial Statements for the year ended 31 December 2022

General Information

Country of incorporation and domicile	United Republic of Tanzania
Nature of business and principal activities	Leasing of properties
Directors	Bhikhalal Kanji Pattani Pratap Kanji Pattani Rajendra Kanji Pattani
Registered office	Plot No: 1318/78 Mali Street Dar es Salaam Tanzania
Postal address	P.O.Box 2255 Dar es Salaam Tanzania
Bankers	National Bank of Commerce Limited P.O. Box 1863 Dar es Salaam Tanzania I & M Bank Tanzania Limited P.O.Box 1509 Dar Es Salaam Tanzania Equity Bank Tanzania Limited P.O.Box 110183 Dar Es Salaam Tanzania
Company registration number	44911

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Financial Statements for the year ended 31 December 2022

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Report by Those Charged with Governance

The directors have pleasure in submitting their report on the financial statements of Sumpra Limited for the year ended 31 December 2022.

1. Incorporation

The company is incorporated in the United Republic of Tanzania as a private company limited by share under the Companies Act 2002.

2. Nature of business

The principal activity of the company is that of leasing properties and running resort.

During the current year, the company has expanded its investment portfolio into the hospitality industry.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

Net profit of the company is TZS 203,525,000 (2021: profit TZS 134,703,000) after taxation of TZS 93,103,000 (2021: TZS 65,368,000).

4. Business objectives and strategies

The company has increased its portfolio from real estate to hospitality business such as running of a resort. The business landscape is steadily changing with an increase in innovation and available information.

5. Company's vision and mission

The Company intends to create its own identity in hotel industry by its establishment of boutique hotel, whereby it will cater quality services at affordable prices, attracting local public as well as growing number of tourists visiting Tanzania.

6. Going concern

We draw attention to the fact that as at 31 December 2022, the company's current liabilities exceeded its current assets by TZS 18,098,000.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continues to procure funding for the ongoing operations for the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the next twelve months.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

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7. Liquidity

The company is mainly financed by revenue generated during the year.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Authorised and issued share capital

Authorised			2022	2021
			Number of shares	
Ordinary shares			820	820
Issued			2022	2021
			Number of shares	
Ordinary shares	2022	2021	2022	2021
	TZS	TZS	Number of shares	Number of shares
	8,200	8,200	820	820

There have been no changes to the authorised or issued share capital during the year under review.

10. Shareholders of the company

The total number of shareholders during the year are 7 shareholders (previous year: 7 shareholders).

The shares of the company are held as follows:

	Number of shares	
	2022	2021
	Direct	Direct
Pratap Kanji Pattani	100	100
Bhikhalal Kanji Pattani	100	100
Rajendra Kanji Pattani	100	100
Sudha Kanji Pattani	100	100
Sumitra Kanji Pattani	200	200
Prafulla Kanji Pattani	200	200
Patman Garments Industries Limited	20	20
	820	820

11. Directors

The directors in office during the year ended 31 December 2022 and up to the date of this report are as follows:

Directors	Nationality
Bhikhalal Kanji Pattani	Tanzanian
Pratap Kanji Pattani	Tanzanian
Rajendra Kanji Pattani	British

There have been no changes to the directorate for the period under review.

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Report by Those Charged with Governance

12. Directors interests in shares

Directors holding shares of the company are as follows:

Interest in shares

Directors	2022 Direct	2021 Direct
Bhikhalal Kanji Pattani	100	100
Pratap Kanji Pattani	100	100
Rajendra Kanji Pattani	100	100
	<u>300</u>	<u>300</u>

13. Dividends

No dividends were declared or paid to shareholders during the year.

14. Corporate governance

The Board of directors consists of three Directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a period. The Board delegates the day to day management of the business to Managing Director assisted by senior management. Senior Management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

15. Risk management and internal control

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial period ended 31 December 2022 and is of the opinion that they met accepted criteria.

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Report by Those Charged with Governance

16. Employee's welfare

Management and employees" relationship

The relation between employees and management continued to be cordial during the year. There were no unresolved complaints received by management from the employees during the year.

The company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Employee benefit plan

Employees are members of a pension fund. The company contributes 10% of gross salary to applicable pension scheme for each employee on behalf of all permanent employees. These plans are defined contribution plans.

The company's employment terms are regularly reviewed to ensure that they continue to meet statutory and market conditions. The company communicates with its employees through regular management and staff meetings and through circulars. The company has continued to maintain a favourable working environment in terms of offices, canteen, medical facilities and transport.

17. Environmental footprint

We conduct our business whilst adhering to accepted ethical, professional, and legal standards. We ensure that our operations follow all applicable local legislation and regulations. The company contributes to the environment by planting trees on the properties it develops and using environmental friendly raw materials to cater its goals.

18. Political and charitable donations

There were no political or charitable donations made by the company during the year.

19. Related party transactions

All related party transactions and balances are disclosed in note 20 to these financial statements.

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Report by Those Charged with Governance

20. Responsibility of those charged with governance

It is directors' responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislation relevant to the company.

21. Independent Practitioner

The company's independent practitioners, Fincare and Company have expressed their willingness to continue in office and will be recommended for re-appointment in accordance with the Companies Act 2002.

The financial statements set out on pages 11 to 26, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement, and were signed by:



Bhikhalal Kanji Pattani
Director
Date



Pratap Kanji Pattani
Director
Date

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2023 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 11 to 26, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed by:



Bhikhalal Kanji Pattani
Director
Date:



Pratap Kanji Pattani
Director
Date:

Sumpra Limited

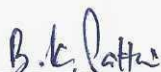
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Statement of Financial Position as at 31 December 2022

	Note(s)	2022 TZS	2021 TZS
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,802,210	2,283,351
Investment in associate	3	5,000	5,000
Loans to group companies	4	284,090	265,505
Deferred tax	6	139,577	152,743
		3,230,877	2,706,599
Current Assets			
Loans to group companies	4	5,236	5,236
Trade and other receivables	7	82,172	221,667
Current tax receivable		42,852	11,955
Cash and cash equivalents	8	41,746	252,770
		172,006	491,628
Total Assets		3,402,883	3,198,227
Equity and Liabilities			
Equity			
Share capital	9	8,200	8,200
Retained income		2,083,586	1,880,061
		2,091,786	1,888,261
Equity contribution		542,634	542,634
		2,634,420	2,430,895
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	578,359	569,813
Current Liabilities			
Trade and other payables	10	190,104	197,519
Total Liabilities		768,463	767,332
Total Equity and Liabilities		3,402,883	3,198,227

The financial statements and the notes on pages 11 to 26, were approved by the board of directors on the date of this statement and were signed on its behalf by:



Bhikhalal Kanji Pattani
Director
Date:



Pratap Kanji Pattani
Director
Date:

The accounting policies on pages 16 to 19 and the notes on pages 20 to 26 form an integral part of the financial statements.

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2022 TZS	2021 TZS
Revenue	11	655,684	466,417
Cost of sales		(25,076)	-
Gross profit		630,608	466,417
Other income		95,292	24,093
Expenses (Refer to page 13)		(389,682)	(253,162)
Operating profit		336,218	237,348
Finance costs	13	(39,590)	(37,277)
Profit before taxation	15	296,628	200,071
Taxation	16	(93,103)	(65,368)
Other comprehensive income		-	-
Total comprehensive income for the year		203,525	134,703

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2022 TZS	2021 TZS
Operating expenses			
Accounting fees		-	3,500
Advertising		395	-
Compilation fees		200	-
Bank charges		2,869	4,915
Cleaning		175	-
Computer expenses		2,057	-
Osha expenses		3,570	-
Depreciation		159,740	31,966
Employee costs		132,981	128,506
Permit charges		7,083	7,808
Electricity expense		6,003	5,135
Office expenses		38	-
Fuel		5,888	5,355
Land rent and property tax		6,537	4,451
Environmental expense		-	4,200
Write off		3,105	-
Stamp duty		480	-
Fines and penalties		10,609	-
Internet charges		2,096	2,129
Licences		950	600
Insurance		12,181	18,087
Rent expense		12,000	12,000
City service levy		2,220	970
Medical expenses		2,572	1,329
Motor vehicle expenses		1,289	7,686
Water and sewerage charges		2,426	1,822
Fire and safety expense		1,779	422
Swimming pool expense		362	-
Printing and stationery		4,736	948
Repairs and maintenance		357	4,031
Security		2,854	-
Staff welfare		69	6,148
Telephone expenses		90	183
Transport charges		-	971
Travel		1,971	-
		389,682	253,162

The accounting policies on pages 16 to 19 and the notes on pages 20 to 26 form an integral part of the financial statements.

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Statement of Changes in Equity

	Share capital	Retained income	Total	Equity contribution	Total equity
	TZS	TZS	TZS	TZS	TZS
Balance at 1 January 2021	8,200	1,745,358	1,753,558	-	1,753,558
Profit for the year	-	134,703	134,703	-	134,703
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	134,703	134,703	-	134,703
Movement in equity contribution	-	-	-	542,634	542,634
Total changes	-	-	-	542,634	542,634
Balance at 1 January 2022	8,200	1,880,061	1,888,261	542,634	2,430,895
Profit for the year	-	203,525	203,525	-	203,525
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	203,525	203,525	-	203,525
Balance at 31 December 2022	8,200	2,083,586	2,091,786	542,634	2,634,420

Note(s)

9

The accounting policies on pages 16 to 19 and the notes on pages 20 to 26 form an integral part of the financial statements.

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Statement of Cash Flows

	Note(s)	2022 TZS	2021 TZS
Cash flows from operating activities			
Cash generated from operations	17	628,038	196,781
Finance costs		(39,590)	(37,277)
Tax paid	18	(110,834)	(48,862)
Net cash from operating activities		477,614	110,642
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(678,599)	(632,102)
Movement in loans to group companies		(18,585)	(17,370)
Net cash from investing activities		(697,184)	(649,472)
Cash flows from financing activities			
Movement in shareholders loan		8,546	6,460
Movement in equity contribution		-	542,634
Net cash from financing activities		8,546	549,094
Total cash movement for the year		(211,024)	10,264
Cash at the beginning of the year		252,770	242,506
Total cash at end of the year	8	41,746	252,770

The accounting policies on pages 16 to 19 and the notes on pages 20 to 26 form an integral part of the financial statements.

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 2002. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shilling rounded to the nearest thousands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Percentage
Buildings	Straight line	5
Machinery	Straight line	12.5
Computers	Straight line	12.5
Furniture, fittings & equipment	Straight line	12.5
Motor vehicles	Straight line	25
Office equipment	Straight line	12.5

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Investment in associate

Investments in associates are measured at cost less accumulated impairment losses.

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Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash on hand and at banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

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Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

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Accounting Policies

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.9 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised.

1.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Service fees included in the price of the service are recognised as revenue over the period during which the service is performed.

1.11 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Tanzanian Shilling, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

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Notes to the Financial Statements

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	213,230	-	213,230	213,230	-	213,230
Buildings	655,606	(340,808)	314,798	655,606	(218,149)	437,457
Machinery	198,571	(39,098)	159,473	33,496	(16,317)	17,179
Furniture, fittings and equipment	131,724	(45,737)	85,987	69,264	(33,453)	35,811
Motor vehicles	12,130	(11,298)	832	12,130	(11,022)	1,108
Office equipment	6,920	(2,743)	4,177	5,535	(2,146)	3,389
Computers	12,537	(4,551)	7,986	7,013	(3,410)	3,603
Kigamboni building	2,015,727	-	2,015,727	-	-	-
Capital - Work in progress	-	-	-	1,571,574	-	1,571,574
Total	3,246,445	(444,235)	2,802,210	2,567,848	(284,497)	2,283,351

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Transfers	Depreciation	Closing balance
Land	213,230	-	-	-	213,230
Buildings	437,457	-	-	(122,659)	314,798
Machinery	17,179	165,076	-	(22,782)	159,473
Furniture, fittings and equipment	35,811	62,461	-	(12,285)	85,987
Motor vehicles	1,108	-	-	(276)	832
Office equipment	3,389	1,385	-	(597)	4,177
Computers	3,603	5,524	-	(1,141)	7,986
Kigamboni building	-	-	2,015,727	-	2,015,727
Capital - Work in progress	1,571,574	444,153	(2,015,727)	-	-
	2,283,351	678,599	-	(159,740)	2,802,210

Details of properties

The buildings are on plot 94, on Nyerere road. The plot belongs to Patman Garments and Industries and was given to Sumpra Limited on a 25 year lease in 2003. At the end of the lease period, the buildings on the plot will be transferred to Patman Garments and Industries.

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Notes to the Financial Statements

	2022 TZS	2021 TZS		
3. Investment in associate				
Name of company	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Sumpra Beach Resort & Service Apt Ltd	25.00 %	25.00 %	5,000	5,000
Sumpra Limited owns 25% of the shares in Sumpra Beach Resort & Service Apt Ltd.				
Sumpra Beach Resort & Service Apt Ltd is incorporated in United Republic of Tanzania with financial year end of 31 December. This investment is valued at cost.				
4. Loans to (from) group companies				
Sumpra Beach Resort & Service Apt Ltd Unsecured, interest free loan repayable on demand.			5,236	5,236
Sumpra Manufacturing Co Ltd Unsecured loan at an interest rate of 7% p.a , with no recoveries expected during the year 2023.			284,090	265,505
			289,326	270,741
Non-current assets			284,090	265,505
Current assets			5,236	5,236
			289,326	270,741
5. Loans to (from) shareholders				
Patman Garments and Industries Unsecured loan at an interest rate of 7% p.a , with no recoveries expected during the year 2023.			(578,359)	(569,813)
6. Deferred tax				
The major components of the deferred tax balance are as follows:				
Reconciliation of deferred tax asset/(liability)				
At beginning of year			152,743	169,364
Recognised in profit or loss:				
Movement in temporary differences on property, plant and equipment			(13,166)	(16,621)
At end of year			139,577	152,743
7. Trade and other receivables				
Trade receivables			77,178	66,844
VAT			4,994	37,147
Other receivable			-	117,676
			82,172	221,667

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Notes to the Financial Statements

	2022 TZS	2021 TZS
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	10,750	10,633
Bank balances	30,996	242,137
	<u>41,746</u>	<u>252,770</u>
9. Share capital		
Authorised		
820 Ordinary shares of TZS 10,000/- each	8,200	8,200
Issued		
820 Ordinary shares of TZS 10,000/- each	8,200	8,200
10. Trade and other payables		
Trade payables	85,090	167,855
Amounts received in advance	99,926	-
Accrued expenses	5,088	4,402
Other payables	-	25,262
	<u>190,104</u>	<u>197,519</u>
11. Revenue		
Rental Income	610,759	447,080
Service income	28,341	19,337
Accommodation and food income	16,584	-
	<u>655,684</u>	<u>466,417</u>
12. Other income		
Payables written off	66,902	-
Gain from foreign exchange	9,690	-
Interest Income	18,585	17,369
Exchange gain	115	6,724
	<u>95,292</u>	<u>24,093</u>
13. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	12,000	12,000
Depreciation on property, plant and equipment	159,740	31,966
Employee costs	132,981	128,506

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Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

	2022 TZS	2021 TZS
14. Employee cost		
Salaries and wages	118,100	111,950
Workers compensation fund	651	883
Skills and development levy	2,420	4,478
National Social Security Fund	11,810	11,195
	132,981	128,506
15. Finance costs		
Interest expense on loans	39,314	37,277
Interest on bank overdraft	276	-
	39,590	37,277
16. Taxation		
Major components of the tax expense		
Current taxation		
Local normal tax - year	79,937	48,747
Deferred taxation		
Local deferred tax - current year	13,166	16,621
	93,103	65,368
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	296,628	200,071
Tax at the applicable tax rate of 30% (2021: 30%)	88,988	60,021
Tax effect of adjustments on taxable income		
Permanent difference	4,115	-
Prior year deferred tax adjustments	-	5,347
	93,103	65,368

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a time frame from the company's own submission of its final tax returns and TRA performing their review and issuing of notice of final tax assessment may take several months or years

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Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

	2022 TZS	2021 TZS
17. Cash generated from operations		
Profit before taxation	296,628	200,071
Adjustments for:		
Depreciation and amortisation	159,740	31,966
Finance costs	39,590	37,277
Changes in working capital:		
Trade and other receivables	139,495	(155,547)
Trade and other payables	(7,415)	83,014
	<u>628,038</u>	<u>196,781</u>
18. Tax paid		
Balance at beginning of the year	11,955	11,840
Current tax for the year recognised in loss	(79,937)	(48,747)
Balance at end of the year	(42,852)	(11,955)
	<u>(110,834)</u>	<u>(48,862)</u>

19. Contingencies

The directors are of the opinion that there are no contingent liabilities as at the year end.

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Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

	2022 TZS	2021 TZS
20. Related parties		
Relationships		
Shareholders with significant influence		Pratap Kanji Pattani Bhikhalal Kanji Pattani Rajendra Kanji Pattani Sudha Kanji Pattani Sumitra Kanji Pattani Prafulla Kanji Pattani
Other shareholders		Patman Garments Industries Limited
Members of key management		Bhikhalal Kanji Pattani Pratap Kanji Pattani Rajendra Kanji Pattani
Related party balances		
Loan accounts - Owing (to) by related parties		
Patman Garments and Industries Limited	(578,359)	(569,813)
Sumpra Manufacturing Limited	5,236	5,236
Sumpra Beach Resort and Service Apt Limited	284,090	265,505
Equity contribution		
Pratap Kanji Pattani	(182,634)	(182,634)
Shareholders A/C	(360,000)	(360,000)
Equity contribution represents interest free loans payable to the shareholders with no fixed repayment date and whose settlement is neither planned nor likely in the foreseeable future and is at the discretion of the borrower.		
Related party transactions		
Interest paid to (received from) related parties		
Patman Garments and Industries Limited	39,314	37,277
Sumpra Manufacturing Limited	(18,585)	(17,369)

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Financial Statements for the year ended 31 December 2022

Notes to the Financial Statements

	2022 TZS	2021 TZS
21. Directors' remuneration		
2022		
	Directors' fees	Total
Bhikhalal Kanji Pattani	30,000	30,000
Pratap Kanji Pattani	30,000	30,000
Rajendra Kanji Pattani	30,000	30,000
	90,000	90,000
2021		
	Directors' fees	Total
Bhikhalal Kanji Pattani	30,000	30,000
Pratap Kanji Pattani	30,000	30,000
Rajendra Kanji Pattani	30,000	30,000
	90,000	90,000

22. Comparative figures

Where necessary, comparative figures have been reclassified to conform to change in presentation in the current year.

23. Going concern

We draw attention to the fact that as at 31 December 2022, the company's current liabilities exceeded its current assets by TZS 18,098,000.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continues to procure funding for the ongoing operations for the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the next twelve months.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

24. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.