

Sumpra Limited
(Registration number 44911)
Financial statements
for the year ended 31 December 2023

Sumpra Limited

(Registration number: 44911)

Financial Statements for the year ended 31 December 2023

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

Sumpra Limited

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Financial Statements for the year ended 31 December 2023

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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 2023.

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.

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 237,881,000 (2022: profit TZS 203,525,000) after taxation of TZS 124,655,000 (2022: TZS 93,103,000).

4. Business objectives and strategies

The company has expanded its portfolio for hospitality business by generating additional income from sale of food, beverages, event hosting and pool charges. 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

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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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Report by Those Charged with Governance

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

	2023		2022	
Authorised	Number of shares			
Ordinary shares	820		820	
	2023	2022	2023	2022
Issued	TZS			
Ordinary 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	
	2023	2022
	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
	<u>820</u>	<u>820</u>

11. Directors

The directors in office during the year ended 31 December 2023 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	2023 Direct	2022 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 2023 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.

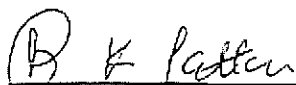
19. Responsibility of those charged with governance

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.

20. 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 9 to 23, which have been prepared on the going concern basis, were approved by the board of directors on the date of this report, and were signed by:



Bhikhalal Kanji Pattani

Director

Date: 27 July 2024



Pratap Kanji Pattani

Director

Date: 27 July 2024

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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.

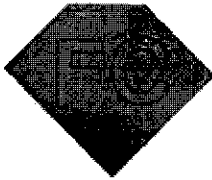
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control 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 2024 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 9 to 23, 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: 27 July 2024


Pratap Kanji Pattani
Director
Date: 27 July 2024



FINCARE AND COMPANY

Certified Public Accountants in Public Practice
P. O. Box - 22528, Dar es Salaam

Independent Practitioner's Compilation Report

To the directors of Sumpra Limited

We have compiled the financial statements of Sumpra Limited, as set out on pages 9 - 23, based on the information you have provided. These financial statements comprise the statement of financial position of Sumpra Limited as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Godfrey N. Kasaro

CPA Godfrey.N.Kasaro
For and on behalf of Fincare and Company
Certified Public Accountants in Public Practice
Dar es Salaam

Date: 28/07/2024



Sumpra Limited

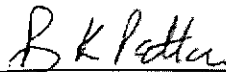
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Statement of Financial Position as at 31 December 2023

	Note(s)	2023 TZS	2022 TZS
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,673,870	2,802,210
Investment in associate	3	5,000	5,000
Loans to group companies	4	300,574	284,090
Deferred tax	6	141,122	139,577
		<u>3,120,566</u>	<u>3,230,877</u>
Current Assets			
Loans to group companies	4	-	5,236
Trade and other receivables	7	53,255	82,172
Current tax receivable		30,727	42,852
Cash and cash equivalents	8	579,485	41,746
		<u>663,467</u>	<u>172,006</u>
Total Assets		<u>3,784,033</u>	<u>3,402,883</u>
Equity and Liabilities			
Equity			
Share capital	9	8,200	8,200
Retained income		2,321,467	2,083,566
		<u>2,329,667</u>	<u>2,091,766</u>
Equity contribution		642,634	542,634
		<u>2,972,301</u>	<u>2,634,420</u>
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	585,912	578,359
Current Liabilities			
Trade and other payables	10	225,820	190,104
Total Liabilities		<u>811,732</u>	<u>768,463</u>
Total Equity and Liabilities		<u>3,784,033</u>	<u>3,402,883</u>

The financial statements and the notes on pages 9 to 23, were approved by the board of directors on the 30 June 2024 and were signed on its behalf by:



Bhikhalal Kanji Pattani
Director
Date : 27 July 2024



Pratap Kanji Pattani
Director
Date : 27 July 2024

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the financial statements.

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Financial Statements for the year ended 31 December 2023

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2023 TZS	2022 TZS
Revenue	11	1,661,218	655,684
Cost of sales	12	(459,549)	(25,076)
Gross profit		1,201,669	630,608
Other income		21,036	95,292
Expenses (Refer to page 11)		(820,671)	(389,682)
Operating profit	14	402,034	336,218
Finance costs	16	(39,498)	(39,590)
Profit before taxation		362,536	296,628
Taxation	17	(124,655)	(93,103)
Other comprehensive income		-	-
Total comprehensive income for the year		237,881	203,525

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2023 TZS	2022 TZS
Operating expenses			
Advertising		2,850	395
Compilation fees		200	200
Bank charges		4,238	2,869
Cleaning		2,200	175
Computer expenses		1,187	2,057
Consulting fees		3,947	-
Decorations, music speakers and accessories		9,303	-
Osha expenses		600	3,570
Environmental and gardening expenses		3,031	-
Depreciation		187,084	159,740
Employee costs		255,445	132,981
Permit charges		34,098	7,083
Electricity expense		22,498	6,003
Office expenses		3,067	38
Fuel and generator expenses		11,576	5,888
Land rent and property tax		-	6,537
Write off		52,980	3,105
Stamp duty		-	480
Entertainment charges		270	-
Fines and penalties		-	10,609
Animal expenses		369	-
Bed night levy		1,950	-
Internet charges		4,882	2,096
Licences		2,920	950
Insurance		12,803	12,181
Rent expense		12,000	12,000
Legal expenses		18,800	-
City service levy		3,186	2,220
Medical expenses		2,506	2,572
Motor vehicle expenses		3,238	1,289
Water and sewerage charges		4,501	2,426
Fire and safety expense		2,177	1,779
Exchange loss		6,918	-
Swimming pool expense		20,440	362
Postage		5,258	-
Printing and stationery		13,524	4,736
Repairs and maintenance		72,552	357
Security		16,352	2,854
Staff welfare		-	69
Telephone expenses		63	90
Transport charges		685	-
Travel		20,973	1,971
		820,671	389,682

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 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 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 1 January 2023	8,200	2,083,586	2,091,786	542,634	2,634,420
Profit for the year	-	237,881	237,881	-	237,881
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	237,881	237,881	-	237,881
Movement in equity contribution	-	-	-	100,000	100,000
Total changes	-	-	-	100,000	100,000
Balance at 31 December 2023	8,200	2,321,467	2,329,667	642,634	2,972,301

Note(s)

9

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 form an integral part of the financial statements.

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Statement of Cash Flows

	Note(s)	2023 TZS	2022 TZS
Cash flows from operating activities			
Cash generated from operations	18	653,751	628,038
Finance costs		(39,498)	(39,590)
Tax paid	19	(114,075)	(110,834)
Net cash from operating activities		500,178	477,614
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(58,744)	(678,599)
Movement in loans to group companies		(11,248)	(18,585)
Net cash from investing activities		(69,992)	(697,184)
Cash flows from financing activities			
Movement in shareholders loan		7,553	8,546
Movement in equity contribution		100,000	-
Net cash from financing activities		107,553	8,546
Total cash movement for the year		537,739	(211,024)
Cash at the beginning of the year		41,746	252,770
Total cash at end of the year	8	579,485	41,746

The accounting policies on pages 14 to 17 and the notes on pages 18 to 23 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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Notes to the Financial Statements

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	213,230	-	213,230	213,230	-	213,230
Buildings	2,690,318	(475,324)	2,214,994	655,606	(340,808)	314,798
Machinery	202,636	(64,427)	138,209	198,571	(39,098)	159,473
Furniture, fittings and equipment	153,951	(64,980)	88,971	131,724	(45,737)	85,987
Motor vehicles	18,910	(16,025)	2,885	12,130	(11,298)	832
Office equipment	8,435	(3,796)	4,639	6,920	(2,743)	4,177
Computers	17,706	(6,764)	10,942	12,537	(4,551)	7,986
Kigamboni building	-	-	-	2,015,727	-	2,015,727
Total	3,305,186	(631,316)	2,673,870	3,246,445	(444,235)	2,802,210

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Depreciation	Closing balance
Land	213,230	-	-	-	213,230
Buildings	314,798	18,985	2,015,727	(134,516)	2,214,994
Machinery	159,473	4,065	-	(25,329)	138,209
Furniture, fittings and equipment	85,987	22,229	-	(19,245)	88,971
Motor vehicles	832	6,780	-	(4,727)	2,885
Office equipment	4,177	1,516	-	(1,054)	4,639
Computers	7,986	5,169	-	(2,213)	10,942
Kigamboni building	2,015,727	-	(2,015,727)	-	-
Total	2,802,210	58,744	-	(187,084)	2,673,870

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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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

	2023 TZS	2022 TZS		
3. Investment in associate				
Name of company	% holding 2023	% holding 2022	Carrying amount 2023	Carrying amount 2022
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 and interest free loan.			-	5,236
Sumpra Manufacturing Co Ltd Unsecured loan at an interest rate of 7% p.a , with no recoveries expected during the year 2024.			300,574	284,090
			<u>300,574</u>	<u>289,326</u>
Non-current assets			300,574	284,090
Current assets			-	5,236
			<u>300,574</u>	<u>289,326</u>
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 2024.			(585,912)	(578,359)
			<u>(585,912)</u>	<u>(578,359)</u>
6. Deferred tax				
The major components of the deferred tax balance are as follows:				
Reconciliation of deferred tax asset/(liability)				
At beginning of year			139,577	152,743
Recognised in profit or loss:				
Movement in temporary differences on property, plant and equipment			1,545	(13,166)
At end of year			<u>141,122</u>	<u>139,577</u>
7. Trade and other receivables				
Trade receivables			53,255	77,178
VAT			-	4,994
			<u>53,255</u>	<u>82,172</u>

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

	2023 TZS	2022 TZS
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	27,711	10,750
Bank balances	551,774	30,996
	579,485	41,746
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	17,229	85,090
Amounts received in advance	169,524	99,926
VAT	30,782	-
Accrued expenses	8,285	5,088
	225,820	190,104
11. Revenue		
Rental income	662,001	610,759
Service income	22,763	28,341
Accommodation and food income	810,165	16,584
Event hosting and buffet income	18,450	-
Pool and entrance income	147,652	-
Laundry income	187	-
	1,661,218	655,684
12. Cost of sales		
Food items	218,703	11,810
Soft and hard drinks	84,685	13,266
Event expenses	3,240	-
Gas and other burning items	17,743	-
Vegetables	135,178	-
	459,549	25,076

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

	2023 TZS	2022 TZS
13. Other income		
Payables written off	-	66,902
Gain from foreign exchange	1,372	9,805
Interest Income	19,664	18,585
	<u>21,036</u>	<u>95,292</u>
14. 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	187,084	159,740
Employee costs	255,445	132,981
15. Employee cost		
Salaries and wages	225,971	118,100
Workers compensation fund	1,015	651
Skills and development levy	8,455	2,420
National Social Security Fund	20,004	11,810
	<u>255,445</u>	<u>132,981</u>
16. Finance costs		
Interest expense on loans	38,525	39,314
Interest on bank overdraft	973	276
	<u>39,498</u>	<u>39,590</u>

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

	2023 TZS	2022 TZS
17. Taxation		
Major components of the tax expense		
Current taxation		
Local normal tax - year	126,200	79,937
Deferred taxation		
Local deferred tax - current year	(1,545)	13,166
	124,655	93,103
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	362,536	296,628
Tax at the applicable tax rate of 30% (2022: 30%)	108,761	88,988
Tax effect of adjustments on taxable income		
Permanent difference	15,894	4,115
	124,655	93,103
<p>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</p>		
18. Cash generated from operations		
Profit before taxation	362,536	296,628
Adjustments for:		
Depreciation and amortisation	187,084	159,740
Finance costs	39,498	39,590
Changes in working capital:		
Trade and other receivables	28,917	139,495
Trade and other payables	35,716	(7,415)
	653,751	628,038
19. Tax paid		
Balance at beginning of the year	42,852	11,955
Current tax for the year recognised in loss	(126,200)	(79,937)
Balance at end of the year	(30,727)	(42,852)
	(114,075)	(110,834)

Sumpra Limited

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Financial Statements for the year ended 31 December 2023

Notes to the Financial Statements

	2023 TZS	2022 TZS
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20. Contingencies

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

21. Directors' remuneration

2023

	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

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

22. Comparative figures

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

23. Going concern

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 directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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.