

SATURN CORPORATION LIMITED

**Annual report and financial statements
for the period of nine months ended 31 December 2021**

CONTENTS	<u>PAGE</u>
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Declaration of Independent Accountant	4
Practitioners' Compilation 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

SATURN CORPORATION LIMITED

Company Information for the period of nine months ended 31 December 2021

Directors	Mr. Chirag Kiritkumar Tanna - Tanzanian Ms. Sneha Chug - Canadian Mr. Rehmatulah Habib Rehmatulah - Tanzanian
Registered office	Plot No. 94, Kipawa, Ilala Postal Code 12106, Nyerere Road P.O. Box 647 Dar es Salaam Tanzania
Company secretary	Mr. Chirag Kiritkumar Tanna Plot No. 294 & 295, Postal Code 11102, Upanga Mashariki, CBD Ilala P.O. Box 647 Dar es Salaam
Accountants	M. A. Hassam & Co. Certified Public Accountants in Public Practice Mtendeni Street P.O. Box 20719 Dar es Salaam
Bankers	Exim Bank Tanzania Limited Main Branch P.O. Box 1431 Dar es Salaam CRDB Bank Plc Water Front Branch P.O. Box 71936 Dar es Salaam

SATURN CORPORATION LIMITED

Directors' report for the period of nine months ended 31 December 2021

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

Incorporation

The company is incorporated in Tanzania under the Companies Act, 2002 on 20th April 2021 under the Certificate of Incorporation No. 151627781 .

Principal activities

The principal activity of the company is dealing in import and sale of motor vehicles and accessories.

Directors' interests

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

	Ordinary shares of TZS 10,000 /- each	
	<u>2021</u>	
	No. of shares	Nominal value TZS'000
Chirag Kiritkumar Tanna	71,610	716,100
Sneha Chug	55,440	554,400
Rehmatulah Habib Rehmatulah	46,200	462,000
	<u>173,250</u>	<u>1,732,500</u>

Results for the period

The performance of the company during the period is set out on page 6 of these financial statements.

Accountants

The accountants, M A Hassam & Co. have indicated their willingness to continue in office and are eligible for re-appointment.

By order of the board


Chirag Kiritkumar Tanna
Director

Date: 29/6/2022

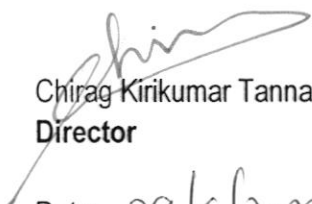
SATURN CORPORATION LIMITED

Statements of directors' responsibilities for the period of nine months ended 31 December 2021


The Companies Act 2002, requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its operating results for that period. 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 for Small and Medium Sized Entities (SME) and the requirements of the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2021 and of its operating results for the period 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.


Chirag Kirikumar Tanna
Director

Date: 29/6/2022


Rehmatulah Habib Rehmatulah
Director

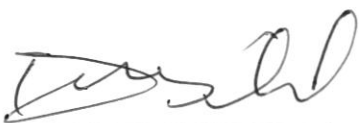
SATURN CORPORATION LIMITED

**Declaration of Independent Accountant
for the period of nine months ended 31 December 2021**

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 an independent accountant responsible for the preparation of financial statements of the entity.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Legal responsibility for the preparation of financial statements rests with the Board of Directors as per the Statement of Directors' Responsibilities on Page 3.

I, Shahrad C. M. Saleh being the independent accountant hereby acknowledge my responsibility of ensuring that financial statements for the period ended 31 December 2021 have been prepared in compliance with applicable accounting standards and statutory requirements, give a true and fair view of the position of the Company and are prepared based on properly maintained financial records.

Signature: 
NBAA No.: AcA 581
Date: 19-06-2022



M. A. Hassam & Co.

Certified Public Accountants in Public Practice

P.O. Box 20719, Dar es Salaam

Telephone: 2134071, 2110648, 2110129

Fax: 2112980

Email: info@mahassam.co.tz

Practitioners' Compilation Report To the Management of Saturn Corporation Limited for the period of nine months ended 31 December 2021

We have compiled the accompanying financial statements of Saturn Corporation Limited based on information you have provided. These financial statements are presented in accordance with the financial reporting framework. The financial statements comprise the statement of financial position for the period ended 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of 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 Standard on Related Services 4410 (Revised), Compilation Engagements. This Standard requires that we 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 expressing an audit opinion or a review conclusion.



Murtaza Hassam - ACPA 2239
Partner
M. A. Hassam & Co.
Certified Public Accountants in Public Practice

Dar es Salaam

Date : 29.06.2022



SATURN CORPORATION LIMITED

Statement of Comprehensive Income for the period of nine months ended 31 December 2021

	Notes	2021 TZS
Sales		19,148,104,578
Cost of sales	2	<u>(18,413,785,097)</u>
Gross profit		734,319,481
Foreign exchange gain		54,762,730
Administrative expenses		(320,466,897)
Depreciation		<u>(61,121,875)</u>
Profit before tax	3	407,493,439
Income tax expense	4	<u>(123,748,032)</u>
Profit for the year		<u><u>283,745,407</u></u>


The accounting policies and notes on pages 10 to 17 form part of these financial statements.
Practitioners' Compilation Report on page 5

SATURN CORPORATION LIMITED

Statement of financial position
as at 31 December 2021

	Notes	2021 TZS
ASSETS		
Non-current assets		
Property and equipments	5	<u>1,436,362,976</u>
Current assets		
Inventories	6	5,675,925,134
Trade and other receivables	7	2,392,144,649
Cash and bank balances	8	<u>1,538,908,563</u>
		<u>9,606,978,346</u>
Total assets		<u><u>11,043,341,322</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	9	2,310,000,000
Retained earnings		<u>283,745,407</u>
Total equity		<u><u>2,593,745,407</u></u>
Non - current liabilities		
Deferred taxation	10	(14,252,928)
Borrowings		<u>3,371,901,314</u>
		<u>3,357,648,386</u>
Current liabilities		
Trade and other payables	11	4,954,846,569
Taxation	12	<u>137,100,960</u>
		<u>5,091,947,529</u>
Total equity and liabilities		<u><u>11,043,341,322</u></u>

The financial statements were approved by the board of directors on 29 / 6 / 2022.


Chirag Kirikumar Tanna
Director


Rehmatulah Habib Rehmatulah
Director

The accounting policies and notes on pages 10 to 17 form part of these financial statements.
Practitioners' Compilation Report on page 5

SATURN CORPORATION LIMITED

Statement of changes in equity
for the period of nine months ended 31 December 2021

	Share capital TZS	Retained earnings TZS	Total TZS
Share Capital introduced	2,310,000,000	-	2,310,000,000
Profit for the year	-	283,745,407	283,745,407
Balance at 31 December 2021	2,310,000,000	283,745,407	2,593,745,407

The accounting policies and notes on pages 10 to 17 form part of these financial statements.
Practitioners' Compilation Report on page 5

SATURN CORPORATION LIMITED**Statement of cash flow
for the period of nine months ended 31 December 2021**

	Note	2021 TZS
Operating activities		
Cash generated from operation	16	(2,644,607,900)
Provisional tax paid		(900,000)
Prior year tax paid		-
Net cash increase from operation		(2,645,507,900)
Investing activities		
Purchase of Property and Equipments		(1,497,484,851)
Net cash used in investing activities		(1,497,484,851)
Financing activities		
Share Capital introduced		2,310,000,000
Borrowings		3,371,901,314
Increase / (decrease) in financing activities		5,681,901,314
Net decrease in cash and bank balance		1,538,908,563
Cash and cash equivalents at the beginning of the year		-
Cash and bank balance at the end of the year	11	1,538,908,563

The accounting policies and notes on pages 10 to 17 form part of these financial statements.
Practitioners' Compilation Report on page 5

SATURN CORPORATION LIMITED

Notes to the financial statements for the period of nine months ended 31 December 2021

1. Principal accounting policies

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

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SME). The financial statement have been prepared under historical cost convention.

(b) Revenue and expenditure recognition

Revenue is recognized 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 recognized upon dispatch of goods to customers and represents sales net of sales returns and value added tax.

Expenditure:

Expenses are recognized 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 and equipments

All categories of property 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 recognized 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 and equipments are stated at historical cost less accumulated depreciation and accumulated impairment loss.

SATURN CORPORATION LIMITED

Notes to the financial statements (continued) for the period of nine months ended 31 December 2021

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

Leasehold improvements	2 years
Computer and accessories	37.5%
Equipments, furniture and fittings	12.5%

(e) Impairment of assets

At each balance sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognized in the income statement whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. There is no impairment of assets during the year.

(f) Inventories

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

(g) Cash and bank balance

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

(h) Trade and other receivables

Trade receivables are recognized initially at original invoice amount.

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

(i) Deferred income taxes

Deferred tax is provided , using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

SATURN CORPORATION LIMITED

Notes to the financial statements (continued) for the period of nine months ended 31 December 2021

(j) Trade and other payables

Trade and other payables are stated at their nominal value.

(k) Employees' benefits

Pension obligations

The company contributes to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security 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.

(l) Comparatives

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

There are no comparative figures during the first of operations.

SATURN CORPORATION LIMITED

Notes to the financial statements (continued)
for the period of nine months ended 31 December 2021

	2021 TZS
2. Cost of sales	
Purchases	21,292,340,039
Direct costs	<u>2,797,370,192</u>
	24,089,710,231
Inventory at 31 December	<u>(5,675,925,134)</u>
	<u>18,413,785,097</u>
3. Profit before tax	
The following items have been charged in arriving at operating profit:	
Depreciation	61,121,875
Staff cost	24,240,000
Accountancy fees	4,000,000
4. Income tax expense	
Current tax	138,000,960
Deferred tax (Note 10)	<u>(14,252,928)</u>
	<u>123,748,032</u>

SATURN CORPORATION LIMITED

Notes to the financial statements
for the period of nine months ended 31 December 2021

5. Property and equipments

	Land	Leasedhold improvements (Showroom)	Computer and accessories	Furniture, fittings and equipments	Total
	TZS	TZS	TZS	TZS	TZS
Cost					
Additions	1,262,228,325	159,234,407	2,740,000	73,282,119	1,497,484,851
At the end of the period	<u>1,262,228,325</u>	<u>159,234,407</u>	<u>2,740,000</u>	<u>73,282,119</u>	<u>1,497,484,851</u>
Depreciation					
Charge for the year	-	59,712,903	85,625	1,323,347	61,121,875
At the end of the period	<u>-</u>	<u>59,712,903</u>	<u>85,625</u>	<u>1,323,347</u>	<u>61,121,875</u>
Net book value					
As at 31 December 2021	<u>1,262,228,325</u>	<u>99,521,504</u>	<u>2,654,375</u>	<u>71,958,772</u>	<u>1,436,362,976</u>

2021
TZS

6. Inventories

Motor vehicles and accessories	<u>5,675,925,134</u>
	<u>5,675,925,134</u>

7. Trade and other receivables

Trade receivables	2,080,077,324
Others	15,856,200
Deposits, prepayments and advances	48,162,520
VAT account	248,048,605
	<u>2,392,144,649</u>

SATURN CORPORATION LIMITED

Notes to the financial statements for the period of nine months ended 31 December 2021

	2021 TZS
8. Cash and bank balances	
Cash balance	58,600,000
Bank balance	1,480,308,563
	<u>1,538,908,563</u>
9. Share capital	
Authorised:	
1,000,000 ordinary shares of TZS 10,000/- each.	<u>10,000,000,000</u>
Issued and fully paid up:	
231,000 ordinary shares of TZS 10,000/- each.	<u>2,310,000,000</u>
10. Deferred tax	
Charge for the year	(14,252,928)
As at 31 December	<u>(14,252,928)</u>
Deferred tax liability is made as follows:	
Accelerated capital allowances	(14,252,928)
	<u>(14,252,928)</u>
11. Trade and other payables	
Trade	4,186,744,017
Others payables	758,449,752
Accruals and provisions	9,652,800
	<u>4,954,846,569</u>
12. Taxation	
Current year	138,000,960
Less: Provisional tax paid	(900,000)
	<u>137,100,960</u>

SATURN CORPORATION LIMITED

Notes to the financial statements
for the period of nine months ended 31 December 2021

2021
TZS

13. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

Profit before tax 407,493,439

Adjustments for:

Depreciation 61,121,875

Changes in working capital

Decrease / (increase) in inventories (5,675,925,134)

Decrease / (increase) in trade and other receivables (2,392,144,649)

(Decrease) / increase in trade and other payables 4,954,846,569

Cash surplus from operation (2,644,607,900)

14. Capital commitments

The company had no capital commitments as at 31 December 2021.

15. Contingent liabilities

The company had no contingent liabilities, as at 31 December 2021.

SATURN CORPORATION LIMITED

Schedules to the financial statements for the period of nine months ended 31 December 2021

2021
TZS

A1. Administrative expenses

Accountancy fees		4,000,000
Bank charges		96,797,996
City service levy		57,444,314
Directors' remuneration		20,000,000
Donation		5,000,000
Electricity and water		400,000
Employment cost	A2	24,240,000
Insurance		2,904,789
Licence and fees		2,088,000
Legal and professional fees		2,075,789
Office and general expenses		2,092,443
Printing and stationery		17,000,325
Rent		73,736,000
Repairs and maintenance		5,245,322
Security charges		3,225,000
Service and maintenance charges		3,108,600
Stamp duty		1,108,320
		<u>320,466,897</u>

A2. Employment cost

Salaries and wages		20,000,000
NSSF contribution		4,000,000
Workmens Compensation Fund		240,000
		<u>24,240,000</u>