

K-TREND INVESTMENT LIMITED

AUDITED FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31ST DECEMBER 2019



TANZANIA REVENUE AUTHORITY

DOMESTIC REVENUE DEPARTMENT

NOTICE OF SELF ASSESSMENT

TIN: 119-589-355

If undelivered please return to P.O.Box 9774, Dar es Salaam, Tanzania

K- TREND INVESTMENT LIMITED

Plot 45/67 Block A
MIKOCHEINIB WARIOBA RD DAIMA ST
P.O Box 61505
DAR ES SALAAM



Assessment No: F 422216179

Year of Income: 2019

Tax Debit No. 4 44 50 65 89

Tax Type: Corporate Tax

Asst. Worked by : Donitian M.Ruhumbika

Asst. Approved by : Sabitina Mahanyu

Date of Issue: 18-06-2020

Take notice that you have been assessed under the Income Tax Act, 2004.
If you dispute this Assessment you must give me notice of objection in writing stating precisely the grounds of the objection within 30 days from the date of issue of this Notice of Assessment.

SOURCE OF INCOME	DESCRIPTION	INCOME
	Agriculture	0.00
	Dividends	0.00
	Interest	0.00
	Other Incomes	0.00
	Pension	0.00
	Rents	0.00
	Trade, Profession etc	0.00
	TOTAL INCOME	0.00
INCOME DEDUCTIONS		
Remarks:	Deficits b/f	0.00
	Dividends	0.00
	Income Per IPC Cases.	0.00
	Interest Paid	0.00
	Losses	0.00
	Others	0.00
	Personal Allowances(Life Insurance)	0.00
	Retirement Benefits	0.00
	Withholding(Rent,Premium etc.)	0.00
	TOTAL DEDUCTIONS	0.00
CHARGEABLE INCOME	Chargeable Income	31,604,657.54
TAX RATE	Tax Rate	30%
TAX DUE	Tax Due	9,481,397.26
ADDITIONAL TAX		
	Interest (Sec 75 of TAA, 2015)	481,477.70
	Penalty (Sec 78 of TAA, 2015)	0.00
	Sub total	481,477.70
TOTAL TAX	Total Tax	9,962,874.96
TAX PAID AT SOURCE		
	Dividends	0.00
	Interest	0.00
	Management Fees	0.00
	Others	0.00
	P.A.Y.E	0.00
	Royalties	0.00
	Withholding(Rent,Premium etc)	0.00
	TOTAL TAX PAID AT SOURCE	0.00
GRAND TAX	Grand Tax	9,962,874.96
TAX ON PROVISIONAL	Less Tax on Provisional Assess	4,200,000.00
NET TAX	NET TAX PAYABLE	5,762,874.96
Exempted Tax under IPC or Tanzania Investment Center		
DUE DATE	30-06-2020	

You are required to effect payment before due date.
Please indicate the above Tax Debit Number when making payments

K-TREND INVESTMENT LIMITED
P.O.BOX 61505
DAR ES SALAAM.

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019

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K-TREND INVESTMENT LIMITED

P.O.BOX 61505
DAR ES SALAAM



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2019

1. REPORT OF THE DIRECTORS

The Director present herewith the Audited Financial Statements for the year ended 31st December, 2019

2. STATEMENT OF THE DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINICIAL STATEMENTS

The Directors are responsible for keeping proper accounting records, which disclose with the reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the companies ACT 2002. They are also responsible for safe guarding the assets of the Company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities

3. OPERATING RESULTS

The operation results of the Company for the year ended 31st December, 2018 are set out on page 5 – 7 respectively.

4. DIRECTORS

The name of the Directors who served during the year under reviews are as follows:-

1. RAMADHANI AMIRI MRISHO- TANZNAIAN
2. ARAPHA KACHENJE- TANZANIAN
3. LUBULAX LTD- KENYAN

5. AUDITORS

THE are Esq Financial services appointed to be Statutory External Auditors of the Company.

BY ORDER OF THE BOARD

CHAIRMAN

07-04-2020

DATE

K-TREND INVESTMENT LIMITED
P.O.BOX 61505
DAR ES SALAAM.

**DIRECTORS RESPONSIBILITY AND APPROVAL TO THE ANNUAL
FINANCIAL STATEMENTS**

The Directors are responsible for the maintenance of adequate accounting records and preparation of the Financial Statements and the related information.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Directors also are responsible for the systems of internal controls. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of Assets, and to prevent and detect material misstatements and loss.

The systems are implemented and monitored by suitably trained personnel with appropriate segregation duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Financial Statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for the foreseeable future.




.....
DIRECTOR

07-04-2020
.....
DATE


.....
DIRECTOR



Esq. Financial Services

Accountants Auditors Tax Consultants

First Floor, TSN Bldg, Samora Ave,
P.O.Box 75115, Dar es Salaam,
Office phone: +255 714 777888
Mobile: +255 712 747474
Email: esqfinancial@gmail.com



Reports of the Independent Auditor to the Members of KTREND INVESTMENT LIMITED **For the year ended 31st December 2019**

Report on the financial statements

We have audited the accompanying financial statements of **KTREND INVESTMENT LIMITED**, which comprise the balance sheet as at 31st December 2019, the profit and loss account, 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 notes

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Companies and the requirements of the Companies Act 2002. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the company as at 31st December 2019 and of its financial performance and cash flows for the year then ended in accordance with the international Financial Reporting Standard for Companies and the Companies Act 2002.

For and on behalf of **Esq Financial Services**
Accountant, Auditors and Tax Consultants

Signed by: Mbonde S. Mbonde.....(ACPA-PP 1595)

K-TREND INVESTMENT LTD
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31ST DECEMBER 2019

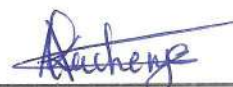
ASSETS	NOTE	2019	2018
Intangible Assets			
Non - current assets			
Property, plant and equipment	9	107,107,900	91,509,715
		107,107,900	91,509,715.00
Current assets			
Receivables	3	530,229,008	222,291,171
Cash and Bank	4	18,376,502	65,605,085
Stock	2	287,049,174	342,196,971
Total Current Assets		835,654,684	630,093,227
TOTAL ASSETS		942,762,584	721,602,942
EQUITY AND LIABILITIES			
Equity			
Authorised Share capital		900,000,000	900,000,000
Paid Up Share capital		300,000,000	300,000,000
Retained Earnings		43,302,542	21,179,282
		343,302,542	321,179,282
Current liabilities			
Payables		599,460,053	400,423,660
			400,423,660
Total equity and liabilities		942,762,595	721,602,942

The notes on pages 9-14 form an integral part of Independent Auditor's Report on page 5.



Ramadhani Amiri
DIRECTOR

Date 07-04-2020



Arapha Kachenje
DIRECTOR

Date 07-04-2020

K-TREND INVESTMENT LTD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

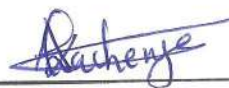
	NOTES	ACTUAL 2019	ACTUAL 2018 TZS
REVENUE	NOTES		
SALES		1,600,132,788.85	1,717,636,107.00
less COSTS OF GOODS SOLD	2	(768,859,484.29)	(720,024,362.55)
Cancelled sales(terminated contract)			(666,229,600.00)
Gross profit		831,273,304.56	331,382,144.45
other income		0.00	1,905,000.00
TOTAL GROSS PROFIT		831,273,304.56	333,287,144.45
OPERATING EXPENSES			
Transport		35,952,517.50	20,801,692.00
Staff salaries and benefit		130,080,621.00	57,600,000.00
Business licence fee		6,137,328.00	12,560,000.00
Auditing and financial services		8,200,000.00	6,400,000.00
Legal services		6,800,000.00	5,360,000.00
Technical support and labour Charges		95,492,899.00	16,545,926.90
Marketing		42,732,250.00	43,687,732.00
communication		9,196,843.25	6,585,998.00
Stationery		6,837,675.00	5,121,312.00
Office Expenses	6	59,366,040.00	40,539,842.00
TFDA/ Laboratory		15,296,047.00	7,559,444.00
Administration expenses	5	320,786,189.45	35,378,909.53
SDL		4,465,800.00	4,271,080.00
Bank Charges		4,850,255.34	10,490,929.89
House rent		24,000,000.00	20,000,000.00
Depreciation	9	29,474,182.00	29,474,182.00
Total operating expenses		799,668,647.54	322,377,048.32
PROFIT BEFORE TAX		31,604,657.02	10,910,096.13
LESS TAX		9,481,397.11	3,273,028.84
NET PROFIT AFTER TAX		22,123,259.91	7,637,067.29



The notes on pages 9-14 form an integral part of Independent Auditor's Report on page 5.



Ramadhani Amiri
DIRECTOR



Arapha Kachenje
DIRECTOR

Date 07-04-2020

Date 07-04-2020

K-TREND INVESTMENT LTD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2019

	NOTE	2019	2018
Cash flows from operating activities			
PROFIT(LOSS)		31,604,657	13,610,096
Adjustments for:			
Depreciation	8.0	29,474,182.00	29,474,182
			29,474,182
(Increase) / Decrease in receivables	3	(307,937,837.00)	(102,868,055)
Increase / (Decrease) in payables	6	199,036,393	94,337,486
Net cash from operating activities		(47,822,605)	20,943,613
Cash flows from investing activities			
Property, plant and equipment	9	(48,034,459)	(23,082,000)
Net cash from investing activities			(23,082,000)
Cash flows from financing activities			
Shares allotment/adjust		50,766,879	
Net cash from financing activities		50,766,879	-
Net Increase / (Decrease) in cash		(45,090,185)	(2,138,387)
Cash at beginning of year		63,466,698	65,605,085
Cash at end of year	4	18,376,513	63,466,698

M/S K-TREND INVESTMENT LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2019

	CAPITAL RESERVE	SHARE CAPITAL	Retained Profit(Loss)	Total
	TZS	TZS	TZS	TZS
Balance 1.1.2019	-	240,000,000	21,179,282	261,179,282
Prior Adjustment		60,000,000		60,000,000
Profit for the year			22,123,259.91	22,123,260
Balance 31.12.2019	-	300,000,000	43,302,542	343,302,542
Balance 31.12.2019	-	300,000,000	43,302,542	343,302,542

The notes on pages 9 - 14 form an integral part of Independent Auditor's report on page 5.



K-TREND INVESTMENT LTD

NOTE: 1

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2019

1.0 GENERAL INFORMATION

Registered under the Company act

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



(a) Basis of Preparation

The financial statements have been prepared on a going concern basis in compliance with the International Financial Reporting Standards. The measurement basis used is the historical cost basis.

(b) Revenue Recognition

Revenue is recognized upon performance of the service and is measured at the fair value of the consideration received or receivable.

(b) Borrowing Costs

All borrowing costs are recognized in the income statement as an expense in the period in which they are incurred.

(c) Receivables

Receivables are recognized initially at fair value less an allowance for any uncollectible amount. Provision is made when there is objective evidence that they will not be able to collect all amounts due according to the original terms of receivables.

(e) Employee benefits

The K-TREND INVESTMENT Ltd operates pension schemes that are Trustee administered, NSSF. Contributions to the fund are recognized as an expense in the period the employees rendered their services.

(f) Impairment

An assessment is made on each balance sheet date to determine whether there is objective evidence that an asset or group of assets may be impaired. If such evidence exists, the recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

(g) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, , less accumulated depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful life, using the straight line basis at the following annual rates:

Motor vehicles	15%
Plant and equipment	20%
Computers and printers	20 %
Furniture and office machine	20 %



(h) Taxation

Income earned from provision of technical services to customers is subject to income Tax. Income tax expenses is charge to profit and loss account in respect of the current income tax year. Current tax is the amount payable on the taxable profit after adjustment of depreciation for the period determined according to Income Tax act of 2004.

NOTES OF FINANCIAL STATEMENTS

2.0 COSTS OF GOODS SOLD

PROJECT	2019	2018
Oppening stock	342,196,971.45	82,998,000.00
Add Purchases	713,711,686.84	979,223,334.00
Total Goods available	1,055,908,658.29	1,062,221,334.00
Less Closing stock	(287,049,174.00)	(342,196,971.45)
Cost of goods sold	768,859,484.29	720,024,362.55
TOTAL COST OF GOOD SOLD	768,859,484.29	720,024,362.55

3.0 RECEIVABLES	2019	2018
GGM	2,546,463.23	4,718,328.00
BAHARI PHARMACY	90,000.00	90,000.00
ALLY		5,000.00
DODOMA CHRISTIAN MEDICAL CENTER,TRUST	1,240,000.00	
DUPUTY VICE CHANCELLOR SOKOINE UNIV	7,780,000.00	
GAA	40,000.00	
HANDENI DISTRICT HOSPITAL	-510.00	
HEZEKIA GRACE BOSCO-1	5,566,000.00	
KIBAHA EDUCATION CENTRE-KEC	44,858,370.00	
KS GLOBAL BUSINESS ENTERPRISES LTD	-300,000.00	
BWAMBO HEALTH CENTRES	680,000.00	640,000.00
Dr.EDWARD MASATU	15,128,040.00	24,999,700.00
LUGALO	455,000.00	8,780,000.00
MARANATHA HOSPITAL	-18,000.00	
MARGAK INVESTMENT LTD	2,640,600.00	
TANZANIA LANCET LABORATORIES LIMITE	2,040,000.00	
TANZANIA MEMORIAL HEALTH CENTRE LTD	10,500,000.00	
TANZANIA OCCUPATIONAL HEALTH SERVIO	24,694,700.00	
TASAKHTAA(GLOBAL) HOSPITAL	-3,248,865.40	
KIBAONI		
ARAFA PUGU		
PUGU DISPENSARY		
BAOBAB		(48,000.00)
KITONKA medical centre	24,320,960.00	
RABINISIA	9,016,000.00	3,710,000.00
MUHUMBILI	87,767,500.00	56,088,600.00
MUHIMBILI NATIONAL HOSPITAL(MLOGA)	118,940,500.00	
MUTOKITI DIAGNOSTIC LIMITED	15,852,500.00	1,855,000.00
MALOLO HOSPITAL	27,840,981.57	6,364,560.00

MPANDA TWON COUNCIL		37,000.00
LUBULAX SUPPLIES LTD		12,184,784.00
KITUO CHA AFYA JKT		168,000.00
KINONDONI HOSPITAL	-8,239,808.00	20,234,762.00
KARATU KUTHERN HOSPITAL		530,000.00
KAHAMA TOWN COUNCIL HOSPITAL		2,600,000.00
KAIRUKI HOSPITAL		3,400,520.00
ERISTIC INVESTMENT	(50,773.00)	(50,773.00)
SAFE FOCUS LABORATORIES	(955,000.00)	(40,000.00)
TASAKHTAA(GLOBAL)HOSPITAL		14,859,411.40
NEOUSOFT	1,250.00	
THE AGA KHAN	140,548,100.00	61,054,279.00
RHOTIA HEALTH CENTRE		110,000.00
IFAKARA	495,000.00	
TOTAL	530,229,019.40	222,291,171.40

4.0 CASH AND BANK	2019	2018
KCB Tshs	4,520,450.10	
KCB USD	264,000.00	
DCB (USD)		560,250.00
PBZ TZS)	7,875,571.82	22,072,105.94
PBZ (USD 2598.4)	5,716,480.00	15,500,000.00
Cash on Hand		27,472,728.88
Total	18,376,502	65,605,084.82

5. Administration Expenses	2019	2018
Insurance	1,280,000.00	1,732,000.00
Directors Expenses(Board meetings)	34,590,000.00	5,013,200.00
Professional	11,107,203.00	2,413,757.00
Import duty		938,465.00
Perdiem and travelling	40,978,791.00	7,320,398.68
Community support (CRS)	5,937,000.00	
Clearing and Forwarding	93,127,108.02	6,612,868.30
Refreshment	3,281,040.00	811,871.55
Bank Charges	4,847,720.34	
Service Levy fee	6,018,916.00	
Cleaning and Sanitation	2,131,000.00	1,557,980.00
Repair and Maitnace	11,029,000.00	1,761,986.60
office Equipment services	4,563,000.00	5,995,000.00
Miscellaneous	8,481,000.00	
storage expenses	5,500,000.00	
Tender Documenst	1,865,000.00	941382.4
Expired goods/Stock adjustment	72,539,411.09	
Staff Training	13,510,000.00	280,000.00
TOTAL	320,786,189.45	35,378,909.53

6.0 Office Expenses	2019	2018
Motor Vehicle fuel	8,637,000.00	6,196,031.00
import duties	10,233,256.70	16,665,630.00
Motor Vehicle repair	9,102,300.00	11,725,000.00
NHIF	2,257,200.00	
Cleaning material	3,550,500.00	
Gas and Electricity	4,616,500.00	2,153,181.00
security	4,200,000.00	3,800,000.00
TOTAL	42,596,756.70	40,539,842.00
7.0 PAYABLE	2019	2018
LABULAX	350,008,584.70	293,448,394.00
RAMA	16,531,200.00	12,107,000.00
PZ CORMY SA		24,077,146.80
AMANI SHABANI	27,600,000.00	
AMAZON ABDALLAH	6,256,059.00	
ANORD CARS	1,100,000.00	
ARTRON LABORATORIES INC-B	-1,422,790.00	
ASAA CLEARENCE ZANZIBAR		
TRA	21,545,534.00	38,900,000.31
ABDALLAH MWANAKATWE		2,035,899.00
ARTRON LABORATORIES INC-B		(1,422,790.00)
BAHARI PHARMACY LTD	1,000,113.00	(120,000.00)
BIOTECNICA INSTRUMENTS	10,728,588.00	11,268,810.00
GRANTS CARE TANZANIA LTD		(130,000.00)
LOCAL SUPPLIERS	19,001,120.00	6,027,200.00
KINGAZI/MATSAB	10,250,000.00	1,714,000.00
GRANTS CARE TANZANIA LTD	(130,000.00)	
GAA HOLDING(T) LTD	540,000.00	
ORPHEE SA	(875,894.40)	7,518,000.00
CASH SALE STORE	924,500.00	
HEZEKIA GRACE BOSCO	14,000,000.00	
ICRco Inc	17,218,750.00	
JUMA KHAN	27,080,000.00	
RANDOX LABORATORIES LTD	3,063,048.64	
RHODE PHARMACETICAL CO LTD	478,150.00	
SHAFKA TRANS CO LTD	8,872,500.00	
SHUKURU KIMARO	8,800,000.00	
SIGMA GAS AND ENGINEERING LTD	717,140.00	
TFDA USD	5,725,000.00	
Staff salaries and benefit	29,834,250.00	
Advocate		
Kinondoni Municipal (City Levy)	1,799,549.000	
ARAFA (Outsourcing Casual labour)		5,000,000.00
ASSA BAKARI (Clearing Agent)	16,500,651.00	
CINEAFRIQUE ZANZIBZR HOUSE	2,314,000.00	
TOTAL	599,460,052.94	400,423,660.11

8.0 COMPUTATION FOR TAXATION**(LOSS) PROFIT**

PROVISION FOR TAX 30%

Less Tax paid

Tax due

2019

31,604,657.02

9,481,397.11

4,200,000.00

5,281,397.11

2018

10,910,096.13

3,273,028.84

2,700,000.00

573,028.84





K-TREND INVESTMENT LIMITED
9 Property, Plant and Equipment AS AT 31 DECEMBER 2019

PARTICULARS	Land TZS	Motor Vehicles TZS	COMPUTER TZS	Furniture & EQUIPMENT TZS	TOTAL TZS
COST / VALUATION					
Balance 1.1.2019	52,300,000.00	107,577,000.00	16,374,000.00	36,814,160.00	160,765,160.00
Assets valuations					-
Additions		18,000,000.00	2,037,200.00	27,997,258.80	48,034,458.80
Balance 12.31.2019	52,300,000.00	125,577,000.00	18,411,200.00	64,811,418.80	208,799,618.80
DEPRECIATION					
Balance 1.1.2019		61,549,950.00	11,101,967.00	25,821,528.000	98,473,445.00
Charge for the year		18,836,550.00	3,682,240.00	12,962,283.760	35,481,073.76
Balance 31.12.2019		80,386,500.00	14,784,207.00	38,783,811.76	133,954,518.76
NET BOOK VALUE					
Balance 12.31.2019	52,300,000.00	27,190,500.00	1,589,793.00	26,027,607.04	107,107,900.04
Balance 31.12.2018	52,300,000.00	31,702,050.00	3,238,033.00	4,269,632.00	91,509,715.00

