



DPI SIMBA LTD
PIPES FOR LIFE

DPI Simba Limited
(Registration number 41028)
Financial statements
for the year ended 31 December 2017



DPI Simba Limited

(Registration number 41028)

Financial Statements for the year ended 31 December 2017

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Declaration of the Head of Finance and Accounting

Declaration of the Head of Finance/Accounting of DPI Simba Limited

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I being the Head of Finance/Accounting of DPI Simba Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of DPI Simba Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position:

NBAA Membership No.:

Date:



Report of the Independent Auditors

To the shareholders of DPI Simba Limited

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

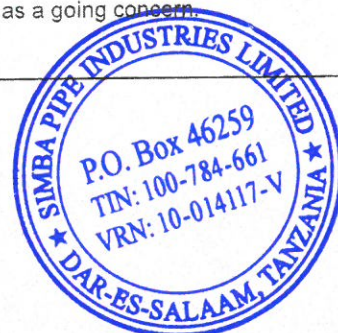
In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



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Directors' Report

The directors have pleasure in submit their annual report and the audited financial statements for the year ended 31 December 2017.

1. Incorporation

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

2. Review of activities

Main business and operations

The principal activity of the company continued to be that of manufacturing and marketing of plastic piping systems and components. The company has ventured into a new business initiative of trading in imported pipe fittings to provide a solution for total piping requirements to its customers.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net profit of the company was TSh 1,455,730,000 (2016: TSh 88,849,000 profit), after taxation of TSh (650,932,000) (2016: TSh (240,914,000)).

3. Development Programme

During the year, the company continued with improvements to its manufacturing and marketing strategies in order to improve on its competitive advantage through the adoption of Balanced Scorecard and Gemba Kaizen initiatives. The company's products are certified by Tanzania Bureau of Standards. The company is ISO 9001 - 2000 Certified.

4. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

5. Directors' interest

The Directors do not hold any direct interest in the issued and paid up share capital of the company.

6. Solvency

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.

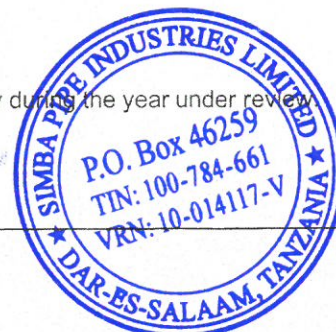
The company's state of affairs at 31 December 2016 is set out on page 10 of these financial statements. The directors consider the company to be solvent within the meaning ascribed by the Companies Act 2002. No matters have come to the attention of the directors to indicate that the company will not remain a going concern for at least the ensuing financial year.

7. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

8. Dividends

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



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Financial Statements for the year ended 31 December 2017

Directors' Report

12. 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 year ended date of this report and is of the opinion that they met accepted criteria.

13. Employee relationship

The details of employees of the company are set out as below.

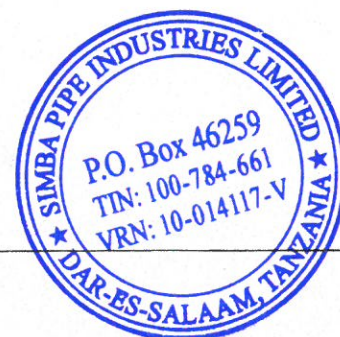
	31 December 2017	31 December 2016
Total number of employees at the beginning of the year	106	68
Number of employees engaged	7	12
Number of employees who left	(17)	(10)

14. Employees welfare

A good relationship continues between management and employees of the company. Staff welfare facilities include medical scheme for all employees and their families, provision of meals while on duty and transport to and from place of work. Training facilities are available to cater for all grades of staff.

15. Related party transactions

All related party transactions and balances are disclosed in note 23 to these financial statements.




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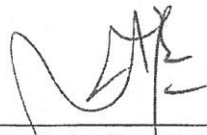
Financial Statements for the year ended 31 December 2017

Statement of Financial Position as at 31 December 2017

	Note(s)	2017 TSh '000	2016 TSh '000
Assets			
Non-Current Assets			
Property, plant and equipment	3	3,938,781	4,303,649
Loans & Advances	5	1,826,540	1,826,540
		<u>5,765,321</u>	<u>6,130,189</u>
Current Assets			
Inventories	7	3,119,948	3,675,020
Trade and other receivables	8	6,964,560	5,589,410
Current tax receivable		-	135,433
Cash and cash equivalents	9	149,880	167,358
		<u>10,234,388</u>	<u>9,567,221</u>
Total Assets		<u>15,999,709</u>	<u>15,697,410</u>
Equity and Liabilities			
Equity			
Share capital	10	560,000	560,000
Retained income		5,541,282	4,085,552
		<u>6,101,282</u>	<u>4,645,552</u>
Liabilities			
Non-Current Liabilities			
Other financial liabilities	11	-	1,357,871
Deferred tax	6	480,482	586,785
		<u>480,482</u>	<u>1,944,656</u>
Current Liabilities			
Trade and other payables	12	2,199,493	2,434,225
Other financial liabilities	11	1,013,272	1,291,969
Current tax payable		31,800	-
Bank overdraft	9	6,173,380	5,381,008
		<u>9,417,945</u>	<u>9,107,202</u>
Total Liabilities		<u>9,898,427</u>	<u>11,051,858</u>
Total Equity and Liabilities		<u>15,999,709</u>	<u>15,697,410</u>


 Mr. Jayesh. G. Shah
 Director

Date: 24/05/2018


 Mr. Jacob Jan Hendrik Bester
 Director

Date: 24/05/2018

The accounting policies on pages 16 to 24 and the notes on pages 25 to 34 form an integral part of the financial statements.



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Financial Statements for the year ended 31 December 2017

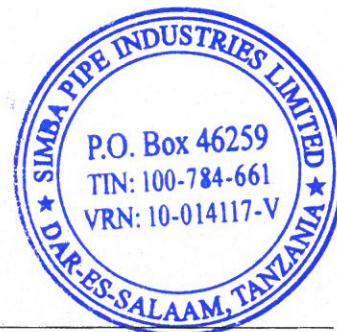
Statement of Changes in Equity

	Share capital	Retained income	Total equity
	TSh '000	TSh '000	TSh '000
Balance at 01 January 2016	560,000	3,996,703	4,556,703
Profit for the year	-	88,849	88,849
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	88,849	88,849
Balance at 01 January 2017	560,000	4,085,552	4,645,552
Profit for the year	-	1,455,730	1,455,730
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,455,730	1,455,730
Balance at 31 December 2017	560,000	5,541,282	6,101,282

Note(s)

10

The accounting policies on pages 16 to 24 and the notes on pages 25 to 34 form an integral part of the financial statements.



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Financial Statements for the year ended 31 December 2017

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 2002.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 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 year.

An item of property, plant and equipment is recognised as an asset 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

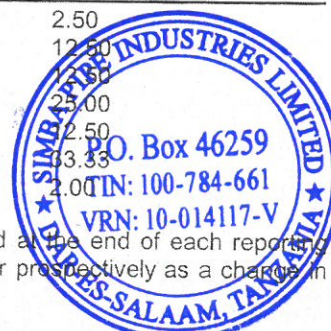
Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing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

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Percentage
Buildings	Straight line	2.50
Plant and machinery	Straight line	12.50
Furniture and fixtures	Straight line	12.50
Motor vehicles	Straight line	25.00
Office equipment	Straight line	2.50
IT equipment	Straight line	33.33
Leasehold improvements	Straight line	2.00

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.



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Accounting Policies

1.3 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

1.4 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Subsequent measurement

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

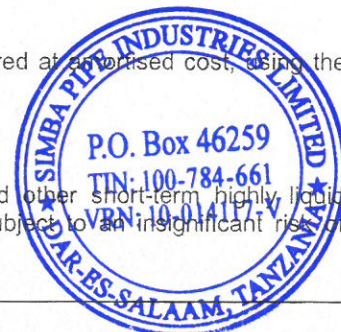
Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, 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. These are initially and subsequently recorded at fair value.



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Accounting Policies

1.5 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits 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

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

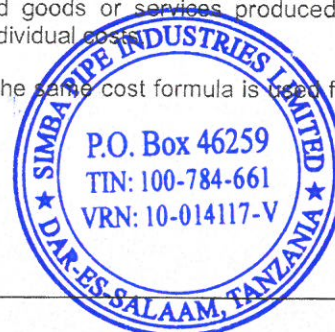
Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.



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Accounting Policies

1.9 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 paid vacation leave 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

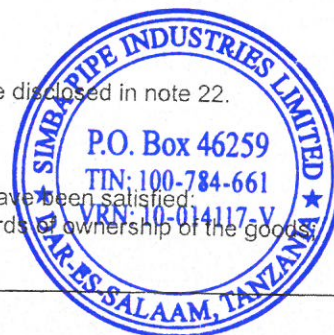
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 22.

1.11 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods.



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Accounting Policies

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

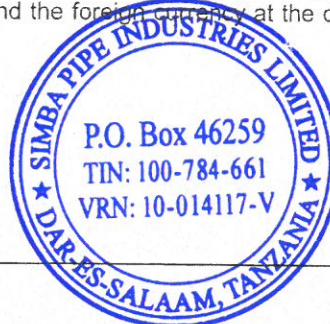
At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.



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Notes to the Financial Statements

2. New Standards and Interpretations (continued)

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact
• IFRS 9 Financial Instruments	01 January 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	Unlikely there will be a material impact

3. Property, plant and equipment

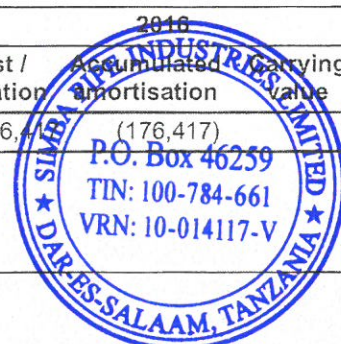
	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	931,753	(511,035)	420,718	931,753	(473,765)	457,988
Plant and machinery	9,227,630	(5,939,218)	3,288,412	8,916,376	(5,321,499)	3,594,877
Furniture and fixtures	45,563	(45,010)	553	45,563	(44,291)	1,272
Motor vehicles	291,913	(283,646)	8,267	300,612	(285,029)	15,583
Office equipment	76,466	(57,258)	19,208	76,466	(51,476)	24,990
IT equipment	214,504	(208,206)	6,298	214,504	(207,441)	7,063
Leasehold improvements	299,900	(104,575)	195,325	299,900	(98,024)	201,876
Total	11,087,729	(7,148,948)	3,938,781	10,785,174	(6,481,525)	4,303,649

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Buildings	457,988	-	(37,270)	420,718
Plant and machinery	3,594,877	311,254	(617,719)	3,288,412
Furniture and fixtures	1,272	-	(719)	553
Motor vehicles	15,583	-	(7,316)	8,267
Office equipment	24,990	-	(5,782)	19,208
IT equipment	7,063	-	(765)	6,298
Leasehold improvements	201,876	-	(6,551)	195,325
	4,303,649	311,254	(676,122)	3,938,781

4. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	176,417	(176,417)	-	176,417	(176,417)	-



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Notes to the Financial Statements

	2017 TSh '000	2016 TSh '000
9. Cash and cash equivalents (continued)		
Cash on hand	8,448	23,395
Bank balance	141,432	143,963
Bank overdraft	(6,173,380)	(5,381,008)
	<u>(6,023,500)</u>	<u>(5,213,650)</u>
Current assets	149,880	167,358
Current liabilities	(6,173,380)	(5,381,008)
	<u>(6,023,500)</u>	<u>(5,213,650)</u>

National Bank of Commerce Limited-Overdraft facility is secured by legal mortgage over the company's land and building, debenture over fixed and floating assets of the company, Corporate guarantee from Silafrica Tanzania Limited and directors' guarantees. The TZS composite facility bears an interest of 11% per annum while USD composite facility bears an interest of 5.5% per annum.

10. Share capital

Authorised

5,000,000 Ordinary shares of TZS 1,000 each

5,000,000

5,000,000

Issued

560,000 Ordinary Shares of TZS 1,000/- each

560,000

560,000

11. Other financial liabilities

At fair value through profit (loss)

Bank loan

1,013,272

2,649,840

Non-current liabilities

At amortized cost

-

1,357,871

Current liabilities

At amortized cost

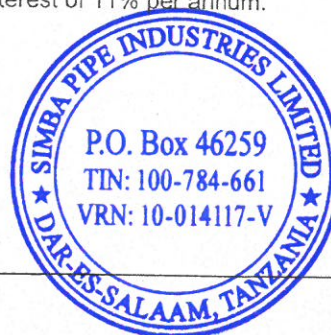
1,013,272

1,291,969

1,013,272

2,649,840

National Bank of Commerce Limited-Term loan is secured by legal mortgage over the company's land and building CT No. 186072/2, Plot No. 68,69 and 70 Pugu Road, Chang'ombe Industrial Area, Dar es Salaam city. Mortgage deed over property title no.186072/3 and 186072/12, Plot 72 Mbozi Road, Chang'ombe Dar es Salaam and Corporate guarantee from Silafrica Tanzania Limited. The facility bears and interest of 11% per annum.



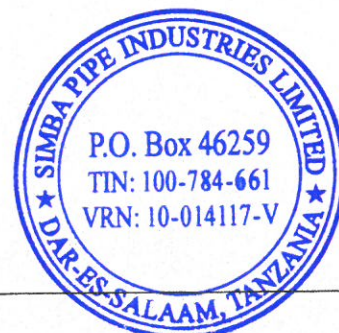
DPI Simba Limited

(Registration number 41028)

Financial Statements for the year ended 31 December 2017

Notes to the Financial Statements

	2017 TSh '000	2016 TSh '000
17. Operating profit (loss)		
Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	36,260	32,007
Remuneration, other than to employees		
Technical Advisory services	180,865	149,770
Consulting and professional services	10,825	13,147
Tender fees	5,069	2,415
	196,759	165,332
Employee costs		
Salaries, wages, bonuses and other benefits	1,762,913	1,868,300
PPF & NSSF Contribution	40,611	54,075
Short term benefit	37,123	34,667
Worker Compensation Fund	11,417	10,619
Termination benefits	14,624	8,018
Hired outsourced employees	11,243	31,909
Total employee costs	1,877,931	2,007,588
Less: Employee costs included in cost of merchandise sold and inventories	(637,369)	(719,715)
Total employee costs expensed	1,240,562	1,287,873
Depreciation and amortisation		
Depreciation of property, plant and equipment	676,122	721,061
Amortisation of intangible assets	-	9,522
Total depreciation and amortisation	676,122	730,583
Less: Depreciation and amortisation included in cost of merchandise sold and inventories	(654,989)	(696,203)
Total depreciation and amortisation expensed	21,133	34,380
18. Finance costs		
Interest on bank overdraft	486,562	418,402
Interest on bank loan	259,430	435,895
Total finance costs	745,992	854,297



DPI Simba Limited

(Registration number 41028)

Financial Statements for the year ended 31 December 2017

Notes to the Financial Statements

	2017 TSh '000	2016 TSh '000
22. Contingencies		
The directors are of the opinion that there are no contingent liabilities as at the year end..		
23. Related parties		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Simba Plastics Company Ltd	1,826,540	1,826,540
Sumaria Group (Tanzania) Limited	-	(13,703)
DPI Plastics (Pty) Limited	-	(89,831)
Distribution And Warehousing Network Africa (Pty) Ltd	(24,546)	-
Silafrica Tanzania Limited	(18,837)	(620)
Related party transactions		
Purchases from (sales to) related parties		
Sumaria Group (Tanzania) Limited	187,947	158,684
DPI Plastics (Pty) Limited	-	(146,330)
Distribution And Warehousing Network Africa (Pty) Ltd	63,998	-
Silafrica Tanzania Limited	167,617	31,520
Silafrica Tanzania Limited	(5,240)	(7,474)
Sumaria Group Tanzania Limited	-	(7,549)
Distribution And Warehousing Network Africa (Pty) Ltd	108,036	-
Key Staff remuneration		
Key staff remuneration	1,175,737	1,256,944

24. Comparative figures

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

25. Risk management

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.



DPI Simba Limited

(Registration number 41028)

Financial Statements for the year ended 31 December 2017

Notes to the Financial Statements

2017	2016
TSh '000	TSh '000

26. 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.





TANZANIA

C.1



Certificate of Change of Name

No: 41028

I HEREBY CERTIFY THAT

DPI SIMBA LIMITED

having, with sanction of a special Resolution of the said company, and with the approval of the Registrar signified in writing Changed its name, is now called **SIMBA PIPE INDUSTRIES LIMITED** and I have entered such new name on the Register accordingly this 24th day of MAY, TWO THOUSAND AND NINETEEN.



SNR ASST. REGISTRAR OF COMPANIES

