


ALLIED MINING SERVICES LIMITED

Annual report and financial statements
for the year ended 31 December 2017

CONTENTS	PAGE
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Income statement	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flow	8
Notes to the financial statements	9 - 14

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Date: 21/12/2017 Sign: 
HERI E. GIMMANUEL
Advocate, Notary Public &
Commissioner For Oaths

ALLIED MINING SERVICES LIMITED

Annual report and financial statements
for the year ended 31 December 2017

COMPANY INFORMATION

Director	Mr. Ashish S. Pattni - British Ms. Bindiya A. Pattni - British
Register	Plot No. 108 Nyakato Industrial Area. Mwanza P.O. Box 2260 Mwanza
Secretary	Mr. Ashish S. Pattni P.O. Box 2260 Mwanza
Auditors	Demus Associates Certified Public Accountants in Public Practice P.O. Box 12665 Dar es Salaam
Bankers	National Bank of Commerce Head Office, Branch P. O. Box 1863 Dar es salaam Standard Chartered Bank (T) Limited Mwanza Branch P. O. Box 1313 Mwanza



ALLIED MINING SERVICES LIMITED

Directors' Report for the year ended 31 December 2017

The directors present their annual report and the financial statements for the year ended 31 December 2017.

Incorporation

The company is incorporated in Tanzania under the The Companies Act, 2002 on 12 of April 2006 under the Certificate of Incorporation No. 56208.

Principal activities

The principal activity of the company is selling of spare parts.

Results for the year

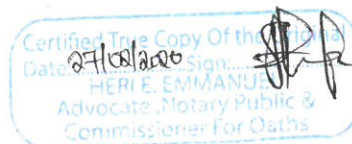
The performance of the company during the year is set out on page 5 of these financial statements

Auditors

The auditors, Demus Associates have indicated their willingness to continue in office and are eligible for re-appointment.

By Order of the Board


Ashish S. Pattni
Director



ALLIED MINING SERVICES LIMITED

Statements of directors' responsibilities for the year ended 31 December 2017

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. 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 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 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 2017 and of its operating results for the year 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.

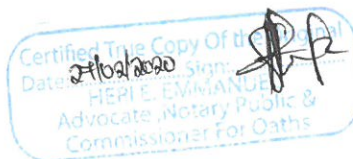


Ashish S. Pattni
Director



Bindiya A. Pattni
Director

Date: 23. NOV. 2018



Demus Associates

Certified Public Accountants in Public Practice
P. O. Box 12665
Dar es Salaam

Independent Auditors' Report to the members of ALLIED MINING SERVICES LIMITED for the year ended 31 December 2017

We have audited the financial statements set out on pages 5 to 14 for the period ended 31 December 2017 and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Respective responsibilities of the directors and auditors

The company's directors are responsible for the preparation of the financial statements. It is our responsibility as auditors to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2017, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 2002.

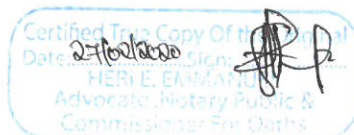


Shadrack L. Msekalile
Demus Associates
Certified Public Accountants in Public Practice



Dar es Salaam

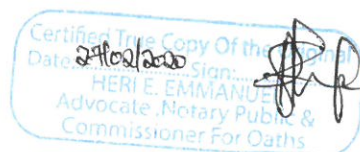
Date: 23/NOV/2018



ALLIED MINING SERVICES LIMITED

**Income statement
for the year ended 31 December 2017**

	Notes	2017 TZS	2016 TZS Re- stated
Income		5,103,788,700	7,343,796,841
Cost	2	<u>(4,215,041,784)</u>	<u>(6,491,488,603)</u>
Gross profit		888,746,916	852,308,238
Administrative expenses		(592,487,396)	(695,055,950)
Depreciation		<u>(110,340,343)</u>	<u>(243,266,603)</u>
Operating profit / (loss)	3	185,919,177	(86,014,315)
Gain on exchange		<u>20,479,423</u>	<u>181,077,820</u>
Profit before tax		206,398,599	95,063,505
Income tax expense	4	<u>(65,300,023)</u>	<u>(65,232,991)</u>
Profit for the year		<u><u>141,098,577</u></u>	<u><u>29,830,514</u></u>



The accounting policies and notes on pages 9 to 14 form part of these financial statements.
Auditors' report on page 4

ALLIED MINING SERVICES LIMITED

Balance sheet
as at 31 December 2017

	Notes	2017 TZS	2016 TZS Re- stated
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,179,899,022	1,290,239,365
Current assets			
Inventory		5,354,515,172	6,165,782,604
Trade and other receivables	6	2,685,123,848	2,971,256,899
Cash and bank balances	7	11,051,414	23,816,587
		<u>8,050,690,433</u>	<u>9,160,856,090</u>
Total assets		<u><u>9,230,589,456</u></u>	<u><u>10,451,095,455</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500,000,000	500,000,000
Retained earnings		615,934,251	731,883,103
Shareholders account		25,000	25,000
Total equity		<u>1,115,959,251</u>	<u>1,231,908,103</u>
Non - current liabilities			
Deferred taxation	9	71,039,797	-
Current liabilities			
Trade and other payables	10	7,383,710,551	8,701,595,083
Bank overdraft		656,239,115	634,086,553
Taxation	11	3,640,743	(116,494,284)
Total liabilities		<u>8,114,630,206</u>	<u>9,219,187,352</u>
Total equity and liabilities		<u><u>9,230,589,456</u></u>	<u><u>10,451,095,455</u></u>

The financial statements were approved by the board of directors on 23. NOV. 2018 and signed on its behalf by:

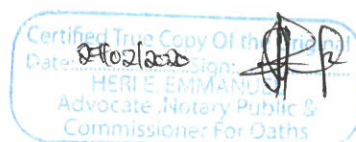
A. Pattni

Ashish S. Pattni
Director

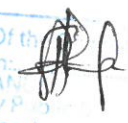
Date: 23 NOV. 2018

Bindiya A. Pattni

Bindiya A. Pattni
Director



ALLIED MINING SERVICES LIMITED

Certified True Copy Of the
 Date: 21/10/2017 Sign: 
 HERI E. EMMAN
 Advocate, Notary Public
 Commissioner For

Changes in Shareholder's equity
 for the year ended 31 December 2017

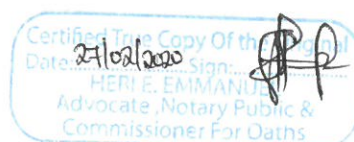
	Share capital TZS	Retained earnings TZS	Shareholders account TZS	Total TZS
Balance at 1 January 2016	500,000,000	773,996,834	25,000	1,274,021,834
Prior year VAT paid	-	(65,569,572)	-	(65,569,572)
Prior year PAYE paid	-	(4,016,232)	-	(4,016,232)
Prior year SDL paid	-	(2,358,441)	-	(2,358,441)
Profit for the year	-	29,830,514	-	29,830,514
Balance at 31 December 2016	500,000,000	731,883,103	25,000	1,231,908,103
Balance as at 1 January 2017	500,000,000	731,883,103	25,000	1,231,908,103
Prior year deferred tax adjustment	-	(69,380,517)	-	(69,380,517)
Prior year tax adjustment	-	(166,688,113)	-	(166,688,113)
Prior year VAT paid	-	(12,796,767)	-	(12,796,767)
Prior year withholding tax on rent	-	(1,301,009)	-	(1,301,009)
Prior year withholding tax on serv	-	(1,851,856)	-	(1,851,856)
Prior year interest and penalties	-	(4,213,463)	-	(4,213,463)
Prior year stamp duty paid	-	(815,704)	-	(815,704)
Profit for the year	-	141,098,577	-	141,098,577
Balance at 31 December 2017	500,000,000	615,934,251	25,000	1,115,959,251

The accounting policies and notes on pages 9 to 14 form part of these financial statements.
 Auditors' report on page 4

ALLIED MINING SERVICES LIMITED

Cash flow statement
for the year ended 31 December 2017

	Note	2017 TZS	2016 TZS Re- stated
Operating activities			
Cash generated from operation	12	96,254,894	20,963,913
Provisional tax paid		(60,000,000)	(60,000,000)
Prior year Corporation tax paid		(50,193,829)	(29,100,556)
Prior Withholding tax paid		(3,152,865)	-
Prior year PAYE paid		-	(4,016,232)
Prior year VAT paid		(12,796,767)	(65,569,572)
Prior year SDL paid		-	(2,358,441)
Prior year interest and penalties		(4,213,463)	-
Prior stamp duty paid		(815,704)	-
Net cash decrease in operation		(34,917,734)	(140,080,888)
Investing activities			
Disposal of property plant and equipment		-	246,082,487
Net cash increase in investing activities		-	246,082,487
Financing activities			
Increase/ (decrease) in borrowings		22,152,562	(107,640,377)
Net cash increase / (decrease) in financing activities		22,152,562	(107,640,377)
Movement in cash and cash equivalents			
Cash and bank equivalents at the beginning of the year		23,816,587	25,455,365
Net increase in cash and bank equivalents		(12,765,172)	(1,638,778)
Cash and bank equivalents at the end of the year	7	11,051,414	23,816,587



The accounting policies and notes on pages 9 to 14 form part of these financial statements. *
Auditors' report on page 4

ALLIED MINING SERVICES LIMITED

Notes to the financial statements
for the year ended 31 December 2017

1. Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

(b) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance. Revenue from provision of services are recognised upon performance of the services. Sales are shown net of Value Added Tax (VAT) and discounts.

(c) Plant and equipment

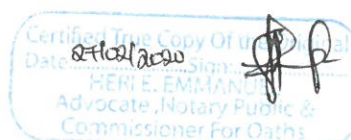
All categories of plant and equipment are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of items. Subsequently costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefit 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

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

Furniture, fittings and equipment	12.5%
Plant and machinery	12.5%
Motor vehicles	25.0%
Computers	25.0%

(d) 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 recognised 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 period.



ALLIED MINING SERVICES LIMITED

Notes to the financial statements for the year ended 31 December 2017

(e) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using first in first out method. The cost of finished goods comprises of raw materials and other direct cost incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made, where necessary, for obsolescent, slow moving and

(f) Cash and bank balance

Cash and bank balance are carried in the balance sheet at cost.

(f) 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

(g) Employees' benefit

The company contributes to the statutory Parastatal Pension Fund. This is a defined contribution scheme registered under the Parastatal Pension Fund 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. Provision is made for the estimated liability in respect of annual leave accrued on the balance

(h) Revenue and expenditure recognition

Revenue

Revenue comprises the fair value of the sale of goods.

Sales are recognised in the accounting period by reference to completion of the specific transaction accepted by the customer, and the collectability of the receivable is reasonably

Expenditure

Expenses are recognised in the income statement in the year in which they are incurred.

ALLIED MINING SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2017**

	2017 TZS	2016 TZS
2. Cost		
Inventory at 1 January		-
Opening inventory	6,165,782,604	5,513,780,925
Purchases and direct cost	3,403,774,352	7,143,490,282
	<u>9,569,556,956</u>	<u>12,657,271,207</u>
Less: closing inventory	<u>(5,354,515,172)</u>	<u>(6,165,782,604)</u>
	<u>4,215,041,784</u>	<u>6,491,488,603</u>

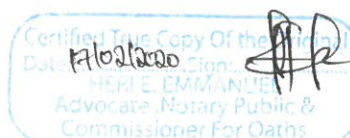
3. Operating profit

The following items have been charged in arriving at operating profit:

Depreciation on plant and equipment	110,340,343	243,266,603
Audit fees	3,500,000	1,200,000
Director's remuneration	68,000,000	110,000,000

4. Income tax expense

Current tax at 30%	63,640,742	65,232,991
Deferred tax (Note 9)	1,659,281	-
	<u>65,300,023</u>	<u>65,232,991</u>

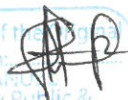


ALLIED MINING SERVICES LIMITED

Notes to the financial statements
for the year ended 31 December 2017

5. Property, plant and equipment

	Land and buildings	Motor Vehicles Light duty	Computers	Furniture and fittings	Total
Cost					
At start of the year	1,106,022,060	707,502,172	16,163,105	436,414,441	2,266,101,778
Additions	-	-	-	-	-
At the end of the year	1,106,022,060	707,502,172	16,163,105	436,414,441	2,266,101,778
Depreciation					
At start of the year	374,361,142	437,507,297	15,665,521	148,328,453	975,862,413
Charge for the year	35,583,046	38,559,954	186,594	36,010,749	110,340,343
At end of the year	409,944,188	476,067,251	15,852,115	184,339,202	1,086,202,756
Net book value					
As at 31 December 2017	696,077,872	231,434,921	310,990	252,075,239	1,179,899,022
As at 31 December 2016	731,660,918	269,994,875	497,584	288,085,988	1,290,239,365

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Signature: 
HERRI E. EMMA
Advocate, Notary Public &
Commissioner For Oaths

ALLIED MINING SERVICES LIMITED

Notes to the financial statements
for the year ended 31 December 2017

	2017 TZS	2016 TZS Re- stated
6. Trade and other receivables		
Trade	1,932,571,360	2,079,364,699
Loan and advance	748,890,000	886,440,000
Others	3,662,488	5,452,200
	<u>2,685,123,848</u>	<u>2,971,256,899</u>
7. Cash and bank balance		
Cash in hand	667,049	653,682
Cash at bank	10,384,364	23,162,905
	<u>11,051,414</u>	<u>23,816,587</u>
Bank overdraft	(656,239,115)	(634,086,553)
	<u>(645,187,701)</u>	<u>(610,269,966)</u>
8. Share capital		
Authorised 500,000 ordinary shares of Tshs. 1,000 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued and paid up: 50,000 ordinary shares of Tzs. 1,000 each	<u>50,000,000</u>	<u>50,000,000</u>
9. Deferred tax		
As at 1 January	-	-
Prior year adjustment	69,380,517	-
Credit for the year	1,659,281	-
As at 31 December	<u>71,039,797</u>	<u>-</u>
Deferred tax (assets) / liability is made up as follows: Accelerated capital allowances	<u>71,039,797</u>	<u>-</u>

ALLIED MINING SERVICES LIMITED

Notes to the financial statements for the year ended 31 December 2017

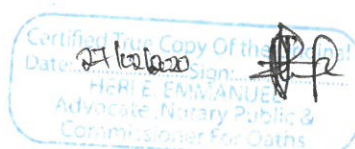
	2017 TZS	2016 TZS Re- stated
10. Trade and other payables		
Trade	7,043,459,840	8,376,449,162
Directors current account	291,790,000	291,790,000
VAT payable	32,302,776	17,942,734
Accruals	16,157,935	15,413,187
	<u>7,383,710,551</u>	<u>8,701,595,083</u>
11. Taxation		
Balance b/f	(116,494,284)	(92,626,719)
Prior year tax adjustment as per assessment 2016	166,688,113	-
Current year	63,640,742	65,232,991
	<u>113,834,571</u>	<u>(27,393,728)</u>
Provisional tax paid	(60,000,000)	(60,000,000)
Prior year tax paid	(50,193,829)	(29,100,556)
	<u>3,640,743</u>	<u>(116,494,284)</u>
12. Cash generated from operation		
Reconciliation of profit before tax to cash generated from operations:		
Operating profit before tax	206,398,599	95,063,505
Adjustment for:		
Depreciation	110,340,343	243,266,603
Changes in working capital		
Decrease / (increase) in inventories	811,267,432	(652,001,679)
Decrease in trade and other receivables	286,133,051	1,112,371,167
Decrease in trade and other payables	(1,317,884,532)	(777,735,683)
Cash generated from operation	<u>96,254,894</u>	<u>20,963,913</u>
13. Contingent liabilities		

The company had no contingent liabilities as at 31 December 2017.

ALLIED MINING SERVICES LIMITED

Appendix to the financial statements
for the year ended 31 December 2017

	2017 TZS	2016 TZS Re- stated
A. Administration expenses		
Audit fees	3,500,000	1,200,000
Bank charges	79,377,908	76,418,754
Book writing fees	1,416,000	-
Directors' remuneration	68,000,000	72,000,000
Employment cost	A.1 152,938,032	163,959,594
Insurance	21,499,815	18,949,516
Generator running	2,063,940	5,364,240
Land rent and property tax	7,000,000	-
Legal and professional fees	12,000,000	18,000,000
Office and general expenses	57,140,418	90,602,998
Postage, telephone, internet and fax	41,990,808	64,807,545
Printing and stationeries	1,011,500	4,201,255
Rent	75,796,559	40,785,210
Repairs and maintenance	2,094,344	3,988,066
Security charges	21,300,000	23,400,000
Service levy	15,311,367	22,769,638
Stamp duty	623,567	-
Subscriptions	-	3,235,750
Utilities	3,054,653	3,570,365
Vehicle running expenses	20,010,685	42,462,191
Visa and permits	6,357,800	39,340,828
	<u>592,487,396</u>	<u>695,055,950</u>
A.1 Employment cost:		
Salaries and wages	123,033,900	130,685,000
NSSF contribution	19,103,300	20,371,300
Skills and development levy	8,695,488	10,144,432
Workers compensation fund	2,105,344	2,758,862
	<u>152,938,032</u>	<u>163,959,594</u>



ALLIED MINING SERVICES LIMITED

Tax computation

for the year ended 31 December 2017

	TZS
Profit as per accounts	206,398,599
Add: Non-allowable expenses	
Depreciation	110,340,343
Office and general	2,439,814
Unrealised loss for 2017	8,828,329
	<u>121,608,486</u>
	328,007,085
Less: Depreciation allowance	<u>(115,871,278)</u>
Taxable income	<u>212,135,807</u>
Corporation tax at 30%	63,640,742
Less: Provisional tax paid	<u>(60,000,000)</u>
Balance payable	<u>3,640,742</u>

Schedule of depreciation allowance

	Class 1 TZS 37.5%	Class 3 TZS 12.5%	Class 6 TZS 5% Cost	Total TZS
W. D. V. as at 01.01.2017	74,848,132	268,017,004	1,086,022,060	1,428,887,196
	74,848,132	268,017,004	1,086,022,060	1,428,887,196
Depreciation allowance	(28,068,050)	(33,502,126)	(54,301,103)	(115,871,278)
Claimed up to 2016	-	-	(369,916,220)	(369,916,220)
W. D. V. as at 31.12.2017	<u>46,780,083</u>	<u>234,514,879</u>	<u>661,804,737</u>	<u>943,099,698</u>

