



SALMAN'S TRANSPORT COMPANY LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31ST DECEMBER 2021**

CERTIFIED PUBLIC ACCOUNTANTS

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SAMORA AVENUE

SALMAN'S TRANSPORT COMPANY LIMITED
Annual report and financial statements
For the year ended 31st December, 2021

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SALMAN'S TRANSPORT COMPANY LIMITED

Company information

For the year ended 31st December, 2021

Board of directors

Names

Mr. Haiderali Muzafar Hussein Gulamali
Mrs. Shabina Gulamali

Registered office

Plot No 1158 Block 58
Mkwepu/Indira Gandhi Street
P O Box 7185
Dar Es Salaam
Tanzania

Principal banker

Habib African Bank Ltd
Main Branch
Dar Es Salaam
Tanzania

CRDB Bank Ltd
Main Branch
Dar Es Salaam
Tanzania

I& M Bank Ltd
Main Branch
Dar Es Salaam
Tanzania

DTB Bank Ltd
Main Branch
Dar Es Salaam
Tanzania

Independent Practitioner

Manji Financial Consultants
Certified Public Accountants
Clock Tower/Samora Avenue
P O Box 6128
Dar es Salaam
Tanzania

SALMAN'S TRANSPORT COMPANY LIMITED

Report of the directors

For the year ended 31st December, 2021

The directors submit their annual report together with the financial statements for the year ended 31 December 2021, which discloses the state of affairs of the company.

Incorporation

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzanian Companies Act 2002. The address of the registered office is set out on page 1.

Principal activities

The principal activity of the company are of Transportation.

Results and dividend

The Profit/ (Loss) for the year is of TShs.(588,555,045/=) The directors do not recommend the declaration of a dividend for the year.

Performance for the year

A summary of the key ratios is outlined below:

	2021	2020
Growth in income	12%	54%
Growth in operating expenditure	-1%	33%
Net profit margin (%)	-6%	-8%
Current ratio	0.236	0.364

Capital structure and cash flows

The capital structure of the company is outlined in Note 8.

Financial risk management objectives and policies

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

Employees welfare

The company gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. There were no unresolved complaints received by Management from the employees during the

SALMAN'S TRANSPORT COMPANY LIMITED
Report of the directors
For the year ended 31st December, 2021

Disabled persons

It remains the company's policy to accept disabled persons for employment for those vacancies that they are able to fill.

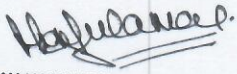
Directorate

The directors who held office during the year and to the date of this report are set out on page 1.

Practitioner of the Company

Manji Financial Consultants have indicated their willingness to continue in office in accordance with the companies Act. A motion will be proposed at the Annual General Meeting that they be reappointed & their remuneration be fixed by the directors.

BY ORDER OF THE BOARD

* 
.....

Mr. Haiderali Muzafar Hussein Gulamali

Dar es Salaam

SALMAN'S TRANSPORT COMPANY LIMITED

Statement of directors' responsibilities

For the year ended 31st December, 2021

The Tanzanian Companies Act 2002 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that 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 preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

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 31st December, 2021 and of its loss and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 2002.

Approved by the board of directors and signed on its behalf by:

x Majumdar

Managing Director

SALMAN'S TRANSPORT COMPANY LIMITED

**Declaration of the Head of Finance/ Accounting of SALMAN'S TRANSPORT COMPANY LIMITED
For the year ended 31st 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 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 ARIF AHMED KHAN hereby acknowledge my responsibility of ensuring that financial statements for the period ended 31st December, 2021 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 SALMAN'S TRANSPORT CO. LTD. as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ARIF AHMED KHAN

Position: EXTERNAL ACCOUNTANT

NBAA Membership No: 10001570

INDEPENDENT PRACTITIONERS COMPILATION REPORT
TO THE MANAGEMENT OF SALMAN'S TRANSPORT COMPANY LIMITED

We have compiled the accompanying financial statements of Salman's Transport Company Limited based on information you have provided. These financial statements comprise the statement of financial position, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standards on Related Services 4410(revised), Compilation engagements


The directors are responsible for the maintaining the books of accounts in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 2002

The financial statements and the accuracy and completeness of the information used to compile them are directors responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements Accordingly, we do not express a audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with IFRS for SMEs.

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances for the management that the company's transactions have been reflected correctly in the records provided to us.

For: MANJI FINANCIAL CONSULTANTS
Certified Public Accountants


Minhaal A Manji
ACPA 3470

Date: _____

SALMAN'S TRANSPORT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31ST DECEMBER,2021

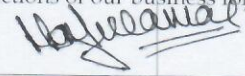
	<u>NOTES</u>	<u>2021 T.SHS.</u>	<u>2020 T.SHS.</u>
Revenue-Main	1	10,257,112,226	9,156,020,482
Cost Of Sales	2	<u>15,457,914,324</u>	<u>13,630,539,994</u>
Gross Profit/(Loss)		(5,200,802,098)	(4,474,519,513)
Interest Received		3,450,000	3,105,000
Bonus Received		241,039,094	154,684,181
Transport Income		6,692,869,981	5,983,055,656
Profit on Sale of Asset		<u>24,803,390</u>	<u>-</u>
		<u>1,761,360,367</u>	<u>1,666,325,325</u>
<u>Operating Expenses</u>			
Administrative Cost	3	2,281,799,313	2,360,881,987
Finance Cost	4	68,116,099	7,984,255
		<u>2,349,915,412</u>	<u>2,368,866,242</u>
Net Profit/(loss) Before Tax		(588,555,045)	(702,540,917)
LESS: Corporate tax 30%		<u>-</u>	<u>-</u>
		(588,555,045)	(702,540,917)
<u>ADD: Balance brought forward</u>		<u>(3,355,243,694)</u>	<u>(2,610,389,836)</u>
Prior year Taxes		<u>(458,179,614)</u>	<u>(42,312,941)</u>
Retained Earnings		<u><u>(4,401,978,353)</u></u>	<u><u>(3,355,243,694)</u></u>

SALMAN'S TRANSPORT COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	<u>NOTES</u>	<u>2021</u> <u>T.SHS</u>	<u>2020</u> <u>T.SHS</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Property, Plant & Equipment	5	9,466,000,630	6,226,226,838
Pre - Operative Expenses		1,454,200	1,454,200
Deffered Tax		34,152,286	34,152,286
<u>Current Assets</u>			
Inventories	6	2,067,539,501	2,650,073,343
Trade & Other Recieveables	7	2,076,661,217	1,950,391,836
Taxation		20,871,670	385,949,238
Cash & Cash Equivalentents	8	120,502,707	519,485,386
		<u>4,285,575,095</u>	<u>5,505,899,803</u>
Total Assets		<u>13,787,182,211</u>	<u>11,767,733,127</u>
<u>Capital & Reserves</u>			
Share Capital	9	20,000,000	20,000,000
Retained Earnings		<u>(4,401,978,353)</u>	<u>(3,355,243,694)</u>
		<u>(4,381,978,353)</u>	<u>(3,335,243,694)</u>
Trade & Other Payables	10	15,844,225,286	12,233,809,061
Borrowings		<u>2,324,935,278</u>	<u>2,869,167,760</u>
		<u>18,169,160,564</u>	<u>15,102,976,821</u>
Total Equity & Liabilities		<u>13,787,182,211</u>	<u>11,767,733,127</u>

"We certify that to the best of our knowledge and belief, the above accounts reflects all the transactions of our business for the year ended 31st December, 2021 and are true and correct."

x 

 Director

SALMAN'S TRANSPORT COMPANY LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2021

	2021 <u>T. SHS.</u>	2020 <u>T. SHS.</u>
<u>CASHFLOW FROM OPERATING ACTIVITIES</u>		
Profit/(Loss) for the year before Tax	(588,555,045)	(702,540,917)
<u>ADJUSTMENT FOR ITEMS NOT INVOLVING MOVEMENT OF FUND</u>		
Depreciation	1,552,575,006	1,626,587,409
Prior year Taxes	<u>(72,230,377)</u>	<u>(42,312,941)</u>
NET CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL	891,789,585	881,733,551
<u>CHANGE IN WORKING CAPITAL ITEMS:</u>		
(Decrease)/Increase in Trade & Other Payables	3,610,416,225	2,082,411,749
Decrease/(increase) in Trade & Other receivables	(126,269,381)	(609,312,182)
(Decrease)/Increase in Inventory	<u>582,533,842</u>	<u>(432,676,100)</u>
	<u>4,066,680,686</u>	<u>1,040,423,467</u>
	4,958,470,270	1,922,157,018
TAX PAID FOR THE YEAR	20,871,670	230,615,747
TAX PAID FOR PRIOR YEAR		
NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES	<u>4,937,598,600</u>	<u>1,691,541,271</u>
Acquisition of Fixed Assets	(4,860,145,408)	(1,170,222,568)
Disposal of fixed assets	67,796,610	28,288,173
NET CASH PROVIDED/(USED) IN INVESTMENT ACTIVITIES	<u>(4,792,348,798)</u>	<u>(1,141,934,395)</u>
<u>FINANCING ACTIVITES</u>		
(Decrease)/Increase in Borrowing	(544,232,482)	(427,048,153)
NET CASH PROVIDED/(USED) IN FINANCIAL ACTIVITIES	<u>(544,232,482)</u>	<u>(427,048,153)</u>
<u>INCREASE/(DECREASE) IN CASH & EQUIVALENTS</u>		
NET INCREASE/(DECREASE) IN CASH- CASH EQUIVALENT	(398,982,679)	122,558,723
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	519,485,386	396,926,663
CASH & CASH EQUIVALENT AT THE YEAR END	<u>120,502,707</u>	<u>519,485,386</u>

SALMAN'S TRANSPORT COMPANY LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL T.SHS
Balance as at 1.1.2021	20,000,000	(3,355,243,694)	(3,335,243,694)
Changes in accounting policy	-	-	-
Changes in equity	-	-	-
Restated balance	20,000,000	(3,355,243,694)	(3,335,243,694)
Profit/(Loss) for the period (net of taxes)	-	(588,555,045)	(588,555,045)
Prior year Taxes		(458,179,614)	(458,179,614)
Balance as at 31.12.2021	20,000,000	(4,401,978,353)	(4,381,978,353)

SALMAN'S TRANSPORT COMPANY LIMITED

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of preparation and summary of significant accounting policies

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (TShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The transition to IFRS for SMEs has no significant effect on the statement of financial position, statement of comprehensive income and accounting policies. Therefore figures have not been restated during this transition.

Revenue recognition

Revenue from sales of services is recognised when the services are rendered. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added tax (VAT) collected on behalf of the government of Tanzania.

Translation of foreign currencies

All transactions in foreign currencies are initially recorded in Tanzania Shillings, using the spot rate at the date of the transaction. Foreign currency monetary items at the statement of financial position date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in the statement of comprehensive income.

Property, Plant & Equipment

All categories of furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value 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. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

Depreciation is calculated using the reducing line method. The the following are the depreciation annual rates:

	%
Heavy Duty Trucks	37.5%
Trailers	25.0%
Furniture and Fittings	12.5%
Tarpaulins	12.5%
Safe	12.5%
Tents	12.5%
Computers	12.5%
Photocopy Machine	12.5%
Light Vehicle	25.0%
Motor Vehicle Tractors	25.0%
Mahona Plot	5.0%
Vingunguti Plot	5.0%
Generator	12.5%
Counting Machine	12.5%
EFD Machine	12.5%
Paper Shreddor	12.5%

SALMAN'S TRANSPORT COMPANY LIMITED

Report of the directors

2 Basis of preparation and summary of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposal of Property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Intangible assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the reducing line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Financial assets

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Financial liabilities

Financial liabilities are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest method.

Retirement benefit obligations

The company and the employees contribute to the National Social Security Fund, a national defined contribution scheme. Contributions are determined by local statute and the company's contributions are charged to the statement of comprehensive income in the year to which they relate.

Income tax

Income tax expense is the aggregate of the charge to the statement of comprehensive income in respect of current income tax and deferred income tax.

SALMAN'S TRANSPORT COMPANY LIMITED

2 Basis of preparation and summary of significant accounting policies (continued)

Current income tax

The tax currently payable is based on taxable profit for the year, determined in accordance with the Tanzanian Income Tax Act.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand, net of bank overdraft and demand deposits.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling.

3 Key sources of estimation/uncertainty

In the process of applying the accounting policies adopted by the company, the directors make certain estimates and judgements that may affect the carrying values of assets and liabilities in the next financial period. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate such estimates and judgements at each financial reporting date to ensure that they are still believed to be reasonable under the prevailing circumstances based on the information available.

Critical accounting estimates and judgements made by the directors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year include:

i) Income taxes:

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

ii) Impairment losses:

Estimates made in determining the impairment losses on financial assets and receivables. Such estimates include the determination of the net realisable value or the recoverable amount of the asset. Moreover, in determining whether an impairment loss should be recognised in the statement of comprehensive income for receivables or financial assets, judgement is made as to whether there is a measurable decrease in the estimated future cash flows of any receivable or financial asset.

SALMAN'S TRANSPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	2021 T.SHS.	2020 T.SHS.
1) Revenue		
Revenue for Sale of Goods	10,257,112,226	9,156,020,482
2) Cost Of Sales		
Opening Inventory	1,830,073,343	1,397,397,243
ADD: Purchases	8,971,961,671	9,318,580,893
Cost Of Goods Available For Sale	10,802,035,014	10,715,978,136
Less: Closing Inventory	747,539,500	1,830,073,343
Cost of Goods Sold	10,054,495,514	8,885,904,793
Fuel & Oil	3,615,014,322	3,090,091,410
Spares, Repairs & Maintenance	371,942,358	363,410,997
Insurance	406,235,300	461,711,523
Hiring Charges	95,000,000	-
Tyres & Tubes	277,747,898	300,611,271
Lubricants	53,887,964	-
Salaries & Wages	583,590,968	528,810,000
	5,403,418,810	4,744,635,201
	15,457,914,324	13,630,539,994
Gross Profit/(Loss)	(5,200,802,098)	(4,474,519,513)
Interest Received	3,450,000	3,105,000
Bonus Received	241,039,094	154,684,181
Transport Income	6,692,869,981	5,983,055,656
Profit on Sale of Asset	24,803,390	-
	1,761,360,367	1,666,325,325
Less: Operating expenditure	2,160,000	2,160,000
Accountancy Fees	3,247,580	3,172,000
City Service Levy	1,552,575,006	1,626,587,409
Depreciation	58,359,096	52,881,000
Nssf Contribution	6,958,776	3,247,224
General Expenses	56,977,178	73,187,201
Rent	307,627	310,000
Repairs & Maintenance	23,343,639	22,475,650
Skills and Development Levy	1,463,450	-
Land Rent	67,797	915,254
Subscription	31,769,520	300,000
Inspection Charges	430,114,245	481,892,662
Interest on Loan	22,000	-
Secretarial Charges	35,250,000	19,250,000
Security Charges	-	1,000,000
Service Levy	18,132,706	13,454,437
Insurance	4,600,106	5,288,100
Workmen Compensation Fund	-	2,949,000
Licence & Fees	15,942,000	311,000
Legal Charges	17,529,964	2,905,085
Postage & Telephone	622,881	-
Printing & Stationery	-	2,256,939
Internet Charges	142,497	50,847
Stamp Duty on Lease Agreement	22,213,245	18,000,000
Transport & Travelling	-	28,288,178
Written Off Assets	2,281,799,313	2,360,881,987
4) Finance Cost		
Bank Interest	52,379,637	116,149
Bank Charges	15,736,462	5,864,573
Difference in rate of exchange	68,116,099	2,003,533
	68,116,099	7,984,255

SALMAN'S TRANSPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5)Property & equipment

The Property,Plant & Equipment held by the company are initially recorded at cost. Depreciation is provided by using reducing balance method.A provision for impairment is established wherever there is an objective Indication that there has been a material impairment on that particular asset.

Applicable depreciation rate used are as follows:-

Items	37.50%
Heavy Duty Trucks	25.00%
Trailers	12.50%
Furniture and Fittings	12.50%
Tarpaulins	12.50%
Safe	12.50%
Tents	12.50%
Computers	12.50%
Photocopy Machine	25.00%
Light Vehicle	25.00%
Motor Vehicle Tractors	5.00%
Mahona Plot	5.00%
Vingunguti Plot	12.50%
Generator	12.50%
Counting Machine	12.50%
EFD Machine	12.50%
Paper Shreddor	12.50%

	Balance as at 1.1.2021 Tshs.	Additions Tshs.	(Disposals) Tshs.	Depreciation Charges for the year Tshs	Balance as at 31.12.2021 Tshs.
Heavy Duty Trucks	2,460,375,423	3,440,959,130	-	(1,052,785,218)	4,848,549,335
Trailers	1,424,677,568	1,310,938,816	(67,796,610)	(379,151,077)	2,288,668,697
Furniture and Fittings	3,640,896	-	-	(455,112)	3,185,784
Tarpaulins	149,983,139	52,330,508	-	(25,289,206)	177,024,441
Safe	94,474	-	-	(11,809)	82,665
Tents	3,595,154	-	-	(449,394)	3,145,760
Computers	9,174,482	3,080,508	-	(1,531,874)	10,723,116
Photocopy Machine	217,955	-	-	(27,244)	190,711
Light Vehicle	227,802,850	39,661,017	-	(56,950,713)	210,513,154
Motor Vehicle Tractors	1,296,812,555	-	-	-	1,296,812,555
Mahona Plot	148,404,262	-	-	-	148,404,262
Vingunguti Plot	477,663,939	-	-	(31,303,412)	446,360,527
Generator	23,784,141	-	-	(2,973,018)	20,811,123
Counting Machine	-	7,918,650	-	(989,831)	6,928,819
EFD Machine	-	4,803,390	-	(600,424)	4,202,966
Paper Shreddor	-	453,389	-	(56,674)	396,715
	6,226,226,838	4,860,145,408	(67,796,610)	(1,552,575,006)	9,466,000,630

SALMAN'S TRANSPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS.

6) Inventories.

Inventories are stated at the lower of cost and net realisable value. This is determined by the director of the Company. The amount determined is Tshs. 2,067,539,501/=

7) Trade & Other Receivables

Outstanding amounts from debtors are carried at invoice amount less provision for impairment. A provision for impairment is established where there is an objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables. The amount of provision is the difference between the carrying amount and the receivable amount.

	2021	2020
	T.SHS.	T.SHS.
Trade & Other Receivables Include		
Debtors and Prepayment	2,076,661,217	1,950,391,836
	<u>2,076,661,217</u>	<u>1,950,391,836</u>
8) Cash & Cash Equivalent		
Cash in Hand	10,835,667	10,593,482
Cash at Bank	109,667,040	508,891,904
	<u>120,502,707</u>	<u>519,485,386</u>
9) Capital & Liabilities		
Capital Account		
<u>AUTHORISED SHARE CAPITAL</u>		
80000 Shares of Tshs. 10,000/-	<u>800,000,000</u>	<u>800,000,000</u>
<u>ISSUED & FULLY PAID UP CAPITAL</u>		
2000 Shares of Tshs. 10,000/-	<u>20,000,000</u>	<u>20,000,000</u>
10) Trade & Other Payables		
Creditors and Accruals	15,844,225,286	12,233,809,061
	<u>15,844,225,286</u>	<u>12,233,809,061</u>

11) Going concern

The Company meets day to day working capital requirements through operating cashflows and related party borrowings. The shareholder's have undertaken to finance the company to meet its financial needs for the foreseeable future. Based on this, the directors have considered it appropriate to prepare the financial statements on a going concern basis.

12) Contingent liability

As at 31st December, 2021, the Company had no litigations.

13) Subsequent event

There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.

14) Capital Commitments

As at 1st December, 2021, the Company had no capital expenditure contracted or accrued.

SALMAN'S TRANSPORT COMPANY LIMITED

INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2021
ACCOUNTING TO 31.12.2021

	<u>T.SHS.</u>
Profit/(Loss) as per Accounts	(588,555,045)
<u>ADD BACK:</u>	1,552,575,006
<u>Depreciation</u>	<u>964,019,961</u>
	2,344,007,428
<u>LESS: Depreciation Allowance</u>	<u>(1,379,987,467)</u>
Adjusted Taxable Profit	-
Loss Brought Forward	<u>(1,379,987,467)</u>
Adjusted Loss Carried Forward	<u>-</u>
Corporation Tax 30% on T.Shs.	<u>-</u>

POSITION OF TAXATION

Balance Brought Forward	-
Corporate Tax as above	(20,000,000)
<u>LESS: Provisional Tax paid for the Year</u>	<u>(871,670)</u>
Withholding Tax paid for the Year	(20,871,670)
Tax Payable/(Recoverable)	<u>(20,871,670)</u>

DEPRECIATION ALLOWANCE AS PER 3RD SCHEDULE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>CLASS VI</u>	<u>TOTAL</u>
	<u>37.50%</u>	<u>25%</u>	<u>12.50%</u>	<u>5.00%</u>	<u>T.SHS</u>
W.D.V. As at 1.1.2021	169,619,820	4,181,013,476	179,264,545	349,938,217	4,879,836,058
<u>ADD: Additions</u>	<u>42,741,525</u>	<u>4,751,897,946</u>	<u>65,505,937</u>	<u>-</u>	<u>4,860,145,408</u>
<u>LESS: Disposal</u>	<u>-</u>	<u>(67,796,610)</u>	<u>-</u>	<u>-</u>	<u>(67,796,610)</u>
	212,361,345	8,865,114,812	244,770,482	349,938,217	9,672,184,856
<u>LESS: Annual Allowance</u>	<u>79,635,504</u>	<u>2,216,278,703</u>	<u>30,596,310</u>	<u>17,496,910.85</u>	<u>2,344,007,428</u>
	79,635,504	2,216,278,703	30,596,310	17,496,911	2,344,007,428
W.D.V. As at 31.12.2021	<u>132,725,841</u>	<u>6,648,836,109</u>	<u>214,174,172</u>	<u>332,441,306</u>	<u>7,328,177,428</u>