
**KISMA TRANSPORT COMPANY LIMITED DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020**

The directors are pleased to report that the company has achieved a successful year in 2020. The financial statements for the year ended 31st December 2020 are set out on pages 10 to 15. The company has achieved a profit after tax of KSh 1,234,567,000 for the year. The directors are pleased to report that the company has achieved a successful year in 2020. The financial statements for the year ended 31st December 2020 are set out on pages 10 to 15. The company has achieved a profit after tax of KSh 1,234,567,000 for the year.

3. Corporate Governance
The Board of Directors has overall responsibility for the company, including responsibility for identifying key risk areas, monitoring and managing the company's overall financial performance and reviewing the overall financial performance of the company. The Board is also responsible for ensuring that the company has in place a system of internal control procedures and for monitoring and reviewing the effectiveness of these procedures.

The Company has a strong commitment to the highest standards of corporate governance and to ensuring that the Company is managed in the best interests of its shareholders. The Board of Directors is responsible for ensuring that the Company has in place a system of internal control procedures and for monitoring and reviewing the effectiveness of these procedures.

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

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KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

DIRECTORS' REPORT

1. Introduction

In compliance with Section 133 (1) (b) of the Companies Act, 2002 and the Tanzania Financial Reporting Standard No. 1 on Directors' Report, the Directors submit their report and audited financial statements of KISMA TRANSPORT COMPANY LIMITED, for the year ended 31st December, 2020.

2. Incorporation

The company is incorporated in Tanzania.

3. Principal Activities

The company's principal business consists of fuel transit Transportation Services.

4. Directors responsibility

Under the Companies Act, the directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Ordinance Act 2002. They are also responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention of fraud and other irregularities.

5. Corporate Governance

The Board of Directors has overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies is operative, and for compliance with sound corporate governance principles.

The Board delegates the day to day management of the business to the General Manager assisted by senior management team. The Company is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

DIRECTORS' REPORT (CONTINUED)

6. Capital Structure

The Company's capital structure for the year under review is shown in the statement of financial position.

7. Risk Management and Internal Control

The Company has a risk management policy, which was duly approved by the Board. Every individual within the Company is required to appreciate risks inherent at his/her place of work.

8. Solvency

The Directors have reviewed the current financial position of the Company and the short term borrowings. On the basis of this review, the Directors are of the opinion that the Company is solvent.

9. Relationships with Stakeholders

The Company's operations cut across several stakeholders' interests. The Company enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed communication system.

10. Financial Position & Cash Flows

The financial position, operating results, changes in equity and cash flows are as shown in the set of financial statements attached to this report.

11. Statement of Directors' Responsibilities

The 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 comprehensive income 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 and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Board to indicate that the Company will not remain a going concern for the foreseeable future.

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

DIRECTORS' REPORT (CONTINUED)

12. AUDITORS

J.M consultancy service have expressed their willingness to continue in office and are eligible for re-appointment as auditors for the year ending 31st December 2021.

BY ORDER OF THE BOARD



DIRECTOR

10-09-2021

DATE

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

DECLARATION OF THE ACCOUNTANT

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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Board of Directors' Responsibility statement on page 4 above.

I Kiiza Stadius, the outsourced accountant who supervised the preparation of these financial statements do hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2019 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 in all material respect, the financial position, financial performance and cash flows of the KISMA TRANSPORT COMPANY LIMITED as at 31st December 2020, in accordance with the International Financial Reporting Standards (IFRS) for Medium and Small Entities and that they have been prepared based on properly maintained financial records.


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Date 10-09-2021

CPA Kiiza Stadius

ACCOUNTANT GA 7869

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of KISMA TRANSPORT COMPANY LIMITED, which comprise the Statement of Financial Position as at 31st December 2020, the Statement of Comprehensive Income, Statement of Change in Equity and the statement cash flows for the year then ended and the Summary of Significant Accounting Policies and other explanatory notes. The financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs) and on the basis of the accounting policies in note 1 to the financial statements.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The company's directors are responsible for the preparation of the financial statements. It is our responsibility 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 the International Standards on Auditing. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and judgments made by the directors in the preparation of the financial statements and whether the accounting policies are appropriate to the company's circumstance, consistently applied and adequately disclosed.

We planned the performance of our audit so as to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements whether caused by fraud, error or other irregularities.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31st December 2020 and its results and cash flow for the year then ended in accordance with the requirements of the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs) and the requirements of the Companies Act 2002.



CPA JAMES ZACHARIA MASSAMAKERI - ACPA PP 424
For J.M CONSULTANCY SERVICES,
P.O.BOX 31235,
DAR-ES-SALAAM.

10-09-2021

Date



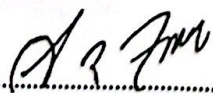
KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2020

	NOTES	31/12/2019	31/12/2020
		TSH	TSH
NON-CURRENT ASSETS			
Property, Plant and Equipment	2	6,059,498,951	5,313,678,769
CURRENT ASSETS			
Trade and Other receivables	6	797,929,605	1,015,356,685
Cash and Bank balance		89,128,910	127,875,970
Stock		97,886,010	98,225,450
TOTAL ASSETS		8,940,618,211	6,555,136,874
EQUITY AND LIABILITIES			
Issued share Capital		1,139,325,000	1,157,000,000
Retained profit/(loss)		971,494,609	(4,224,205,913)
Other Comprehensive income		4,634,219,000	8,019,041,607
Drawings		-	-
TOTAL SHAREHOLDER'S FUND		6,745,038,609	4,951,835,694
NON-CURRENT LIABILITIES			
Long term Loan		-	-
CURRENT LIABILITIES			
Trade and other Payables	5	2,195,579,602	1,603,301,180
TOTAL LIABILITIES		2,195,579,602	1,603,301,180
TOTAL EQUITY AND LIABILITIES		8,940,618,211	6,555,136,874

Note 1 to 9 form part of these financial statements

Auditors' report on page 6



DIRECTOR

10-09-2021

DATE

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

INCOME STATEMENT FOR THE YEAR ENDED ON 31st DECEMBER, 2020

	31/12/2019	31/12/2020
	TSH	TSH
Sales	4,632,241,449	4,648,304,705
Cost of Services	3,857,225,562	6,246,439,490
Gross Profit	775,015,887	(1,598,134,785)
Administrative and General expenses	2,777,625,693	2,748,873,640
Finance Cost	85,033,713	89,595,130
Depreciation Expenses	12,513,168	759,096,967
TOTAL EXPENDITURE	2,875,172,574	3,597,565,737
Net Profit/(Loss) for the year	(2,100,156,687)	(5,195,700,522)
Provision for Taxation	-	-
Net Profit/Loss after Tax(NPAT)	(2,100,156,687)	(5,195,700,522)
Retained Earnings Brought Forward	3,071,651,296	971,494,609
NET PROFIT/(LOSS)	971,494,609	(4,224,205,913)
OTHER COMPREHENSIVE INCOME		
Exchange differences on Translation	2,619,436,000	5,399,605,607
Total Comprehensive income for the year	2,619,436,000	5,399,605,607

Note 1 to 9 form part of these financial statements

Auditors' report on page 6



DIRECTOR

10-09-2021

DATE

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31st DECEMBER, 2020

	SHARE CAPITAL	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	DRAWINGS	TOTAL
	TSH	TSH			TSH
At the beginning of year	1,157,000,000	971,494,609	2,619,436,000	-	4,747,930,609
Addition during the year	-		5,399,605,607	-	5,399,605,607
Profit/(loss) for the year		(5,195,700,522)			(5,195,700,522)
At end of year	1,157,000,000	(4,224,205,913)	8,019,041,607	-	4,951,835,694

Note 1 to 9 form part of these financial statements

Auditors' report on page 6



DIRECTOR

10-09-2021

DATE

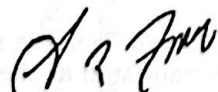
KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st DECEMBER, 2020

	NOTES	31/12/2019	31/12/2020
		TSH	TSH
Cash flows from operating activities			
Profit/(loss) for the year		(2,100,156,687)	(5,195,700,522)
Adjustment for Non Cash item			
Depreciation Expenses		12,513,168	759,096,967
Loss on Disposal		-	-
Profit/(loss) before working capital changes	A	(2,087,643,519)	(4,436,603,555)
Change in working capital			
(Increase)/Decrease in Trade & Other receivables		2,626,855,795	(217,427,080)
(Increase)/Decrease in Stock		(97,886,010)	(339,440)
Increase/(Decrease) in Trade and other Payables		(831,334,557)	(592,278,422)
Net changes in Working Capital	B	1,697,635,228	(810,044,942)
Taxation paid during the year	C	-	-
Net cash (used)/generated in/from operating activities	A+B+C	(390,008,291)	(5,246,648,497)
Cash flows from investing activities			
Purchase of Property, plant and equipment		(13,276,785)	-
Net cash generated from investing activities		(13,276,785)	-
Cash flows from financing activities			
Share Capital		-	-
Net cash generated from financing activities		-	-
Cash and cash equivalents for the year		(403,285,076)	(5,246,648,497)
Cash and cash equivalents at the beginning of the year		492,413,986	89,128,910
Effects of currency translation			5,285,395,557
Cash and cash equivalents at the end of the year		89,128,910	127,875,970

Note 1 to 9 form part of these financial statements

Auditors' report on page 6



.....
DIRECTOR

10-09-2021

.....
DATE

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

ACCOUNTING POLICIES AND EXPLANATORY NOTES

NOTE 1.0 BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. They are presented in Tanzanian Shillings (TSHS) and all values are in TSHS except where otherwise indicated.

1.2 Revenue Recognition

Revenue is recognized when service is delivered. Revenue is measured at fair value of the consideration received or receivable, net of discounts.

1.3 Property Plant and Equipment

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

Depreciation shall be calculated on reducing balance method at annual rates estimated to write off the assets over their expected useful life.

The annual rates to be used are:

Asset	Percentage
Office Computers	12.5%
Furniture, Fixtures & Equipment	12.5%
Machineries & Toola	12.5%
Motor Vehicles	12.5%

1.4 Trade and Other receivables

Trade and other receivables are made on the basis of normal credit terms, and the receivables do not bear interest. 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 a provision for impairment is made in the financial statements.

1.5 Trade Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

1.6 Foreign Currency Translations

Transactions during the year denominated in foreign currencies are converted into Tanzania shillings at the exchange rates ruling at the transaction date. Assets and liabilities are translated at the exchange rates ruling at the balance sheet date. Gains or losses are charged to profit of loss.

ACCOUNTING POLICIES AND EXPLANATORY NOTES (CONTINUED)

NOTE 2: PROPERTY, PLANT AND EQUIPMENT MOVEMENT FOR THE YEAR ENDED ON 31st DECEMBER 2020

	MOTOR VEHICLE	COMPUTER & ACCESSORIES	FURNITURE & FITTINGS	TOOLS & EQUIPMENT	TOTAL
DEPRECIATION RATES	0.125	0.125	0.125	0.125	
COST	TSH	TSH	TSH	TSH	TSH
BALANCE AT 01/01/2020	7,342,974,804	3,460,500	6,932,535	11,551,870	7,364,919,709
ADDITION	-	3,460,500	6,932,535	2,883,750	13,276,785
DISPOSAL	-	-	-	-	-
BALANCE 31/12/2020	7,342,974,804	6,921,000	13,865,070	14,435,620	7,378,196,494
DEPRECIATION					
ACCUMULATED DEPRECIATION AT 01/01/2020	1,302,223,395	432,563	866,567	1,898,233	1,305,420,758
CHARGE FOR THE YEAR	755,093,926.05	811,054.69	1,624,812.89	1,567,173.36	759,096,967
DISPOSAL	-	-	-	-	-
ACCUMULATED DEPRECIATION AT 31/12/2020	2,057,317,321	1,243,617	2,491,380	3,465,407	2,064,517,725
NET BOOK VALUE AT 31/12/2019	6,040,751,408	3,027,938	6,065,968	9,653,637	6,059,498,951
NET BOOK VALUE AT 31/12/2020	5,285,657,482	5,677,383	11,373,690	10,970,214	5,313,678,769

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

ACCOUNTING POLICIES AND EXPLANATORY NOTES (CONTINUED)

NOTE 3: GENERAL AND ADMINISTRATIVE EXPENSES

	31/12/2019	31/12/2020
	TSH	TSH
Salaries and Wages	1,206,738,039	1,079,192,810
Directors allowance	41,170,725	41,822,790
NSSF and PPF contribution	21,152,308	16,661,055
Skills and Development Levy	54,303,827	7,498,285
WCF contribution	12,067,517	16,858,800
Meals and Drinks Expenses	21,880,913	24,062,110
Medical Expenses	11,184,084	12,299,595
Travelling Expenses	56,403,119	60,840,515
City Service Levy	36,202,551	3,009,500
Security Expenses	16,468,745	17,420,375
Rent Expenses	12,349,851	2,067,295
Tatoa Licence	2,033,263	7,563,105
Consultancy and Legal Cost	6,746,425	7,563,105
Sumatra Expenses	18,114,937	18,418,140
Calibration Expenses-WMA	36,596,453	37,208,995
Marketing Expenses	7,632,135	8,884,970
Repair and Maintenance	339,718,819	387,785,650
Communication Expenses	6,817,009	7,787,660
Insurance Premium	399,769,516	406,460,755
Motor Vehicle Expenses	354,989,920	413,229,815
Electricity and Water	2,823,344	3,347,490
General Miscellaneous	64,274,328	67,989,235
interest Expenses	418,813,423	79,230,875
Commissions Expenses	18,615,853	21,670,715
TOTAL	3,166,867,102	2,748,873,640

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

NOTE 4: COST OF SERVICES

	31/12/2019	31/12/2020
	TSH	TSH
Purchases of Fuel	1,766,776,731	2,466,016,710
Tires and Tubes	-	-
Lubricants	-	-
Boarder Fees	926,627,313	1,032,121,915
Spares and Servicing	-	-
Drivers mileage allowance	720,494,556	751,912,000
Spares, servicing, tires, lubricant	541,212,972	2,094,614,315
Closing Stock	(97,886,010)	(98,225,450)
TOTAL	3,857,225,562	6,246,439,490

NOTE 5: TRADE AND OTHER PAYABLES

	31/12/2019	31/12/2020
	TSH	TSH
Sundry creditors	27,995,237	29,665,480
Corporate tax	-	-
Accrued Expenses	7,837,474	8,304,946
Current Portion of LT Loans	1,551,125,073	1,565,330,754
Short term Loan Equity Bank	608,621,818	-
TOTAL	2,195,579,602	1,603,301,180

NOTE 6: TRADE AND OTHER RECEIVABLES

	31/12/2019	31/12/2020
	TSH	TSH
Debtors	16,062,465	16,216,575
VAT	781,867,140	999,140,110
TOTAL	797,929,605	1,015,356,685

KISMA TRANSPORT COMPANY LIMITED
FINANCIAL STATEMENTS FOR YEAR ENDED 31st DECEMBER 2020

NOTE 7: FINANCE EXPENSES

	31/12/2019	31/12/2020
	TSH	TSH
Bank charges	85,033,713	89,595,130
TOTAL	85,033,713	89,595,130

NOTE 8: TAXATION

	31/12/2019	31/12/2020
	TSH	TSH
Current year tax as per income statement	-	-
Deferred tax asset/liability	-	-
less: advance tax(self-assessment)	-	-
Tax payable	-	-

NOTE 9: TRANSLATION GAIN/LOSS

	31/12/2019	31/12/2020
	TSH	TSH
Previous Rate	2,279	2,293
Current rate	2,293	2,315
Difference	14	22
Gain on translation	2,619,436,000	5,399,605,607