

SPECIALISED HAULIERS (T) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfeild Street,
P.O. Box 7286, Dar Es Salaam*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

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Annual report and financial statements
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The following information does not form part of the financial statements:	
Tax computation	Appendix I

SPECIALISED HAULIERS (T) LIMITED
Company informations
For the year ended 31st December,2020

Board of the directors	Names	Nationality
	SivaRama Krishna Gottipati	Indian
	Arun Krishna Gottipati	Indian
	Sharath Krishna Gottipati	Tanzanian
	Nishtha Arora	Indian
Registered Office	Plot no: 12 D Nyerere Road P.O.Box 222 Dar es salaam Tanzania	
Independent Practitioner	Assad Associates Certified Public Accountants Mansfield/Bridge, Samora Tower, M2 Floor P.O.Box 7286 Dar es salaam Tanzania	
Principal Bankers	Exim Bank (Tanzania) Limited P.O.Box 1431 Exim Tower, Ghana Avenue Dar Es Salaam Tanzania	
	Canara Bank (Tanzania) Limited P.O.Box 491 Plot No. 16/1 Elia Complex, Ground Floor Dar Es Salaam Tanzania	
	Diamond Trust Bank Tanzania Ltd P.O.Box 115 Harbour view towers Dar Es Salaam Tanzania	
	CRDB Bank Plc Dar Es Salaam Tanzania	

SPECIALISED HAULIERS (T) LIMITED
Report of the directors
For the year ended 31st December,2020

The director submit their annual report together with the financial statements for the year ended 31st December,2020 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 is that of Transport, Carriage and Haulage Contractors.

Results and dividends

The net profit after tax for the year is T.shs 2,123,219,909/- (2019: T.shs 1,194,759,413/-) has been transferred to retained earnings. The directors do not recommend the declaration of a dividend for the year.

Capital Structure

The capital structure of the company is outlined in note no 11.

Financial risk management objectives and policies

To ensure its financial stability and profitability, the company has implimented 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's employment terms are reviewed annually to ensure that they meet statutory and market conditions.

Related Party Transactions

Transactions with related parties during the year were in normal course of business.


Directorate

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

Independent Practitioner

The company's auditors' Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act, 2002 and are eligible for re- appointment. A resolution proposing the re-appointment as auditors of the company for the year ended 31 December 2021 will be tabled in the Annual General Meeting.

BY ORDER OF THE BOARD



Sharath Krishna Gottipati
Director

Dar es salaam 08/03,2021



SPECIALISED HAULIERS (T) LIMITED
Statement of directors' responsibilities
For the year ended 31st December, 2020

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 profits or loss for the year. It also requires the director 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, 2020 and of its profit 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 the directors on 08/03, 2021 and signed on its behalf by:



Sharath Krishna Gottipati
Director



SPECIALISED HAULIERS (T) LIMITED
Declaration of head of accounting
For the year ended 31st December,2020

DECLARATION OF THE HEAD OF ACCOUNTING OF SPECIALISED HAULIERS (T) 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 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 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 under Directors Responsibility statement on an earlier page.

I _____ being the Head of Accounting of Specialised Hauliers (T) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 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 Specialised Hauliers (T) Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position:

NBAA Membership No:

Date:



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF SPECIALISED HAULIERS (T) LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Specialised Hauliers (T) Limited based on information you have provided. These financial statements comprise the statement of financial position of Specialised Hauliers (T) Limited as at 31st December 2020, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's 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 an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's)

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 from the management that the Company's transactions have been reflected correctly in the records provided to us.

**FOR : ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS**

Sjjad
Signed by: Sajjad Jusab
FCPA 216

08/03/2021
Date

Place : Dar es Salaam

SPECIALISED HAULIERS (T) LIMITED
Annual report and financial statements
For the year ended 31st December,2020

STATEMENT OF PROFIT OR LOSS

	<u>Notes</u>	<u>2020 TShs</u>	<u>2019 TShs</u>
Revenue	2	25,983,355,226	20,594,351,892
Less: Direct Costs	3	14,072,898,993	11,709,482,527
Gross Profit		<u>11,910,456,232</u>	<u>8,884,869,365</u>
Add: Other Income	2.1	282,469,117	308,363,492
		<u>12,192,925,349</u>	<u>9,193,232,857</u>
Administrative expenses	4	8,060,568,419	6,631,376,153
Selling & Distribution Costs	5	84,983,651	22,108,135
Finance Costs	6	496,976,408	747,757,178
		<u>8,642,528,477</u>	<u>7,401,241,466</u>
Profit before tax		3,550,396,872	1,791,991,391
Less: Loss on forex exchange		515,206,445	85,192,229
		<u>3,035,190,427</u>	<u>1,706,799,162</u>
Less: Unrealised exchange variations		(136,907,575)	(47,186,225)
Less: Income tax charge		(911,970,517)	(512,039,749)
Profit for the year		<u><u>1,986,312,336</u></u>	<u><u>1,147,573,189</u></u>

SPECIALISED HAULIERS (T) LIMITED
Annual report and financial statements
For the year ended 31st December, 2020

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	<u>2020 TShs</u>	<u>2019 TShs</u>
ASSETS:			
<u>Non-current assets</u>			
Property and Equipment	7	11,155,131,088	8,306,576,587
<u>Current assets</u>			
Inventory	8	271,028,809	109,464,685
Cash and cash equivalents	9	525,418,734	129,347,474
Trade and other receivables	10	3,462,103,507	2,620,640,073
Taxation		5,619,233	-
		<u>4,264,170,282</u>	<u>2,859,452,232</u>
TOTAL ASSETS		<u>15,419,301,370</u>	<u>11,166,028,818</u>
EQUITY AND LIABILITIES:			
<u>Equity</u>			
Share capital	11	15,500,000	15,500,000
Retained earnings		2,023,646,489	223,511,278
		<u>2,039,146,489</u>	<u>239,011,278</u>
<u>Non current liabilities</u>			
Long Term Liabilities	12	9,439,269,424	5,278,286,029
Bank Overdraft	13	-	1,733,029,149
		<u>9,439,269,424</u>	<u>7,011,315,178</u>
<u>Current liabilities</u>			
Trade and other payables	14	3,940,885,457	3,834,522,611
Taxation		-	81,179,751
		<u>3,940,885,457</u>	<u>3,915,702,361</u>
TOTAL OF EQUITY AND LIABILITIES		<u>15,419,301,370</u>	<u>11,166,028,818</u>

The financial statements on pages 6 to 25 were approved for issue by the board of directors on 08/03, 2021 and were signed on their behalf by:



.....
Sharath Krishna Gottipati
Director



SPECIALISED HAULIERS (T) LIMITED
Annual report and financial statements
For the year ended 31st December, 2020

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

	Share Capital TShs	Retained Earnings / (Losses) TShs	Total TShs
<u>Year ended 31st December 2020</u>			
As at 1st January 2020	15,500,000	223,511,278	239,011,278
Prior year taxes	-	(186,177,124)	(186,177,124)
Total comprehensive income for the year	-	1,986,312,336	1,986,312,336
As at 31st December 2020	<u>15,500,000</u>	<u>2,023,646,489</u>	<u>2,039,146,489</u>

	Share Capital TShs	Retained Earnings / (Losses) TShs	Total TShs
<u>Year ended 31st December 2019</u>			
As at 1st January 2019	10,000,000	(924,061,910)	(914,061,910)
Increase in share capital	5,500,000	-	5,500,000
Total comprehensive income for the year	-	1,147,573,189	1,147,573,189
As at 31st December 2019	<u>15,500,000</u>	<u>223,511,278</u>	<u>239,011,278</u>

SPECIALISED HAULIERS (T) LIMITED
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STATEMENT OF CASH FLOWS

	2020	2019
	TShs	TShs
Cash flows from operating activities		
Profit before tax	3,035,190,427	1,706,799,162
<i>Adjustment for:</i>		
Unrealised exchange variation	(136,907,575)	(47,186,225)
Depreciation	2,420,781,411	2,469,675,668
Profit before changes in working capital	5,319,064,263	4,129,288,605
<i>Changes in operating assets and liabilities</i>		
Inventory	(161,564,124)	304,294,463
Trade & Other Receivables	(841,463,434)	(1,443,452,750)
Trade & Other payables	106,362,846	505,689,066
<i>Cash used in from operations</i>	(896,664,712)	(633,469,221)
Prior year taxes paid	186,177,124	-
Withholding tax paid	1,389,750	1,500,000
Income tax paid	997,379,751	420,797,160
	1,184,946,625	422,297,160
Net cash generated from operating activities	3,237,452,926	3,073,522,224
Cash flows from investing activities		
Purchase of Property & Equipment	(5,450,578,136)	(2,780,460,127)
Disposal of Property & Equipment	181,242,182	182,132,393
Net cash used in investing activities	(5,269,335,954)	(2,598,327,734)
Cash flows from financing activities		
Increase in Share capital	-	5,500,000
Bank Overdraft	(1,733,029,149)	729,100,833
Proceeds / (Repayment) of Long Term Loan	4,160,983,395	(1,268,558,270)
Net cash generated from / (used in) financing activities	2,427,954,246	(533,957,437)
<i>Net increase / (decrease) in cash and cash equivalents</i>	396,071,261	(58,762,948)
Cash and cash equivalents at start of year	129,347,473	188,110,422
Cash and cash equivalents at end of year	9 525,418,734	129,347,473

SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

b) Critical accounting estimates, judgements and assumptions

In the process of applying the company's accounting policies, the company's management makes certain estimates, judgements and assumptions. These are based on the management's past experience and other determinants that under the circumstances are deemed to be reasonable. In practice, the estimated and assumed results would differ from the actual results.

(i) Impairment of non financial assets - The company reviews its non financial assets to assess the likelihood of impairment on an annual basis. In determining whether such assets are impaired, management makes judgments as to whether there are any conditions that indicate potential impairment of such assets.

(ii) Provision for doubtful debts - The company has not impaired any of its trade and other receivable balances as at the end of the year.

(iii) Useful life of property & equipment - Management reviews the useful lives and residual values of the items of property & equipments on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

(iv) Revenue recognition - In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the provision of goods and services set out in IAS 18.

(v) Provision for inventory - The company evaluates its inventory to ensure it is carried at the lower of cost or net realisable value.

(vi) Taxation - 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.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Value Added Tax (VAT) and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for the company's activity as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specific of each arrangement.

Sales of goods are recognised upon delivery of products and customer acceptance.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Foreign currency translation

i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Tanzanian Shillings rounded to the nearest thousands which is the Company's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

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. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

e) Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate of the country.

Current tax assets and liabilities

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

f) Share capital

Ordinary shares are classified as equity.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Property & Equipment

All property & equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent 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 benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

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

Gains and losses on disposal of property & equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit.

Depreciation is calculated on the reducing balance basis to write off the cost of each asset to its residual value over its expected useful life using the following rates:

	Rate %
Office equipment & Others	12.5
Computer - New	37.5
Motor Cycle	25.0
Motor Vehicle	25.0
Trailer	25.0
Goods Vehicle	37.5
Machinery & Equipment	25.0

h) Impairment of non-financial assets and intangible assets other than goodwill

At the end of each reporting year, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments (continued)

Assets carried at amortised cost

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

j) Inventories

Inventory is stated at the lower of cost or net realisable value and their value is determined by the director. 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.

k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

n) Provisions and contingencies

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent assets and liabilities are not recognised.

o) Employee entitlements

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Retirement benefit obligations

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF. The company's contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

p) Borrowings

Borrowings are initially recognised at fairvalue, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired and its costs are expensed in the year in which they are incurred.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and

q) Comparatives

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

SPECIALISED HAULIERS (T) LIMITED
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For the year ended 31st December,2020

NOTES TO THE FINANCIAL STATEMENTS

	<u>2020</u> TShs	<u>2019</u> TShs
2 Revenue:		
Sales of Aggregate	1,581,144,966	770,846,357
Transport Income	24,281,838,278	19,809,407,051
Other Service Income	120,371,982	14,098,484
	<u><u>25,983,355,226</u></u>	<u><u>20,594,351,892</u></u>
2.1 Other Income		
Insurance Claim	241,893,651	293,363,492
Interest on Fixed Deposit	13,897,500	15,000,000
Lease income	847,458	-
Sale of Car	1,694,915	-
Sale of Hydraulic cylinder	5,000,000	-
Sale of trailer	14,474,576	-
Sale of truck	4,661,017	-
	<u><u>282,469,117</u></u>	<u><u>308,363,492</u></u>
3 Direct Costs:		
3.1 Aggregates		
Opening Inventory	-	-
Add: Purchases of Aggregates	1,509,014,092	741,619,587
Cost of goods available for sale	1,509,014,092	741,619,587
Less: Closing Inventory	-	-
	<u><u>1,509,014,092</u></u>	<u><u>741,619,587</u></u>
3.2 Motor Vehicle Maintenance		
Opening Inventory	80,041,585	351,737,014
Add: Import Expenditure (Spares)	175,094,246	62,612,743
Add: Purchases & Other Direct related costs	1,909,558,838	1,466,773,303
Cost of goods available for Consumption	2,164,694,669	1,881,123,060
Less: Closing Inventory	138,007,809	80,041,585
	<u><u>2,026,686,861</u></u>	<u><u>1,801,081,475</u></u>
3.3 M/Vehicle Fuel & Lubricants		
Opening Inventory	10,117,770	13,069,534
Add: Purchases & Other Direct related costs	9,256,562,615	7,472,335,275
Cost of goods available for Consumption	9,266,680,385	7,485,404,809
Less: Closing Inventory	7,542,100	10,117,770
	<u><u>9,259,138,285</u></u>	<u><u>7,475,287,039</u></u>
3.4 Tyres & tubes		
Opening Inventory	19,305,330	48,952,600
Add: Import Expenditure (Tyres)	92,815,814	125,223,909
Add: Purchases & Other Direct related costs	1,291,417,511	1,536,623,247
Cost of goods available for Consumption	1,403,538,655	1,710,799,756
Less: Closing Inventory	125,478,900	19,305,330
	<u><u>1,278,059,755</u></u>	<u><u>1,691,494,426</u></u>
TOTAL	<u><u>14,072,898,993</u></u>	<u><u>11,709,482,527</u></u>

SPECIALISED HAULIERS (T) LIMITED
Annual report and financial statements
For the year ended 31st December,2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020	2019
	TShs	TShs
4 Administrative Expenses:		
Accountancy Fees	6,500,000	4,500,000
Business / Other Licences	142,000	4,608,000
Vehicle Parking fees	2,516,211	1,841,000
City Service Levy	78,755,825	62,043,230
Depreciation	2,420,781,411	2,469,675,668
Directors Remuneration	300,000,000	195,000,000
Donations	-	2,796,000
Electricity & Water	13,185,079	12,579,824
Fines & penalties	-	9,000,000
Fire Extinguisher for Office & M/Vehicles	755,000	735,000
Legal Fees	2,450,533	3,203,000
Loading and off loading Charges	22,697,324	74,624,620
Inspection Fees	9,938,520	6,874,000
Insurance	287,864,515	480,955,460
Motor Vehicles Licences Fees & Other Costs	54,391,039	26,057,000
Medical Expenses	23,974,132	25,745,442
NSSF Company's Contributions	115,048,580	86,270,830
NHIF Contribution	21,780,566	12,997,836
PPF Company's Contributions	-	1,459,667
Office Expenses	30,733,717	46,438,998
OSHA License	3,910,000	2,060,000
Printing & Stationeries	8,764,000	10,884,560
Written off Assets	181,242,178	180,437,491
Rent and oher related costs	203,300,685	166,299,660
Salaries & Wages & Other Related Costs	1,152,685,880	682,304,917
Severance Expenditure	2,934,596	161,538
Skills & Development Levy	48,743,224	67,215,431
Security Expenses	32,668,240	10,084,000
Staff Welfare Expenses	96,117,531	79,670,872
Stamp duty	1,155,998	-
Subscription & membership	-	17,550,600
Telephones, Postages & Internet Charges	18,876,557	12,283,692
Transport & Travelling Expenses	128,851,616	109,434,040
Trip Expenditure	1,855,961,773	1,065,341,102
Tarpaulin Stitching Charges	6,482,200	5,410,000
Truck Tracking charges (GPS)	67,105,891	49,211,361
Towing and breakdown Charges	34,061,347	4,206,250
Toll Gate Pass	15,772,580	3,097,457
Village fee	282,230,769	410,098,902
Visa & Permits	17,000,000	33,625,470
Vehicle Maintenance - Cars & Bikes	62,050,405	69,563,336
Garage Maintenance	306,878,167	-
Vehicle Washing Charges	36,871,435	20,656,000
Wheel Alignment Charges	6,600,000	6,790,763
Workers Uniform & Shoes Expenses	-	21,131,269
Withholding tax	4,599,600	32,530,116
Weigh Bridge Balancing Charges	35,682,504	394,000
Weights & Measurements	46,923,400	34,754,700
Workers Compensation Fund	11,583,391	8,773,050
	8,060,568,419	6,631,376,153

M/S SPECIALISED HAULIERS (T) LIMITED
Annual report and financial statements
For the year ended 31st December,2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	<u>2020</u> TShs	<u>2019</u> TShs
5 <u>Selling & Distribution Costs:</u>		
Advertisements	84,983,651	22,108,135
	<u>84,983,651</u>	<u>22,108,135</u>
6 <u>Finance Costs:</u>		
Bank Charges & Interest	328,662,286	290,252,883
Interest on OD	65,932,953	93,040,786
Unsecured Loan Interest	102,381,168	364,463,509
	<u>496,976,408</u>	<u>747,757,178</u>

SPECIALISED HAULIERS (T) LIMITED
PROPERTY & EQUIPMENT SCHEDULE AS AT 31ST DECEMBER 2020
NOTE 7

DETAILS	RATE	BALANCE AS AT 01.01.2020	ADDITIONS	DISPOSALS	SUB-TOTAL	DEPRECIATION	BALANCE AS AT 31.12.2020
Land		36,511,820	-	-	36,511,820	-	36,511,820
Buildings	10%	128,304,000	-	-	128,304,000	12,830,400	115,473,600
Office Equipment	12.5%	19,742,193	2,838,978	2,459,048	20,122,123	2,350,029	17,772,094
Computers & Printers	37.5%	10,217,377	8,539,322	836,314	17,920,385	5,119,021	12,801,363
Generator	25.0%	19,217,019	25,145,000	-	44,362,019	5,851,963	38,510,056
Storage Cointainer	12.5%	4,520,553	25,749,695	-	30,270,248	1,101,521	29,168,727
Tools & Tool Boxes	12.5%	32,247,193	-	-	32,247,193	4,030,899	28,216,294
Machinery Equipment	25.0%	27,041,300	-	1,348,808	25,692,492	6,445,807	19,246,685
Motor cycle							
T 467 CRQ	25.0%	277,646	-	-	277,646	69,412	208,235
T 748 CNM	25.0%	246,945	-	-	246,945	61,736	185,209
T 172 & T 175 AXR	25.0%	960,950	-	-	960,950	240,237	720,712
MC 899 BVC	25.0%	1,104,807	-	-	1,104,807	276,202	828,605
MC 144 BQX	25.0%	1,468,816	-	-	1,468,816	367,204	1,101,612
MC 278 BZL	25.0%	1,181,475	-	-	1,181,475	295,369	886,107
MC 464 BWC	25.0%	1,468,816	-	-	1,468,816	367,204	1,101,612
MC 441 CNH	25.0%	-	2,152,542	-	2,152,542	403,602	1,748,940
MC 644 CNH	25.0%	-	2,152,542	-	2,152,542	403,602	1,748,940
MC 715 CNH	25.0%	-	2,152,542	-	2,152,542	403,602	1,748,940
MC 299 CSR	25.0%	-	1,923,729	-	1,923,729	-	1,923,729
MC 301 CSR	25.0%	-	1,923,729	-	1,923,729	-	1,923,729
Goods Vehicle							
Pick Up - T 576 CYF	37.5%	542,628	-	542,628	-	-	-
Pick Up - T 309 DPM	37.5%	11,073,076	-	-	11,073,076	4,152,404	6,920,673
Pick Up - T 853 DPK	37.5%	11,052,124	-	-	11,052,124	4,144,547	6,907,578
Motor Vehicle							
T 999 DEZ	25.0%	19,557,935	-	-	19,557,935	4,889,484	14,668,451
T 150 DEM	25.0%	3,612,305	-	3,612,305	-	-	-
T 786 DHZ	25.0%	16,948,631	-	16,948,631	-	-	-
T 116 DGK	25.0%	3,902,344	-	3,902,344	-	-	-
T 720 DMV	25.0%	47,232,712	-	-	47,232,712	11,808,178	35,424,534
T 745 DDL	25.0%	96,401,250	-	-	96,401,250	24,100,313	72,300,938
T 299 DPA	25.0%	-	159,322,034	-	159,322,034	13,276,836	146,045,198
T 255 DVD	25.0%	-	24,746,924	-	24,746,924	-	24,746,924
T 400 DVD	25.0%	-	24,746,924	-	24,746,924	-	24,746,924
Trailers							
T 162 CQR	25.0%	9,495,782	-	-	9,495,782	2,373,945	7,121,836
T 173 CQR	25.0%	9,495,782	-	-	9,495,782	2,373,945	7,121,836
T 193 CQR	25.0%	9,495,782	-	-	9,495,782	2,373,945	7,121,836
T 199 CQR	25.0%	9,495,782	-	-	9,495,782	2,373,945	7,121,836
T 514 CEK	25.0%	8,721,173	-	-	8,721,173	2,180,293	6,540,879
T 764 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 766 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 769 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 770 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 775 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 783 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 784 DMT	25.0%	48,651,299	-	-	48,651,299	12,162,825	36,488,475
T 784 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 785 DMT	25.0%	48,651,299	-	-	48,651,299	12,162,825	36,488,475
T 785 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 788 DMT	25.0%	48,651,299	-	-	48,651,299	12,162,825	36,488,475
T 791 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 792 DNR	25.0%	54,199,489	-	-	54,199,489	13,549,872	40,649,617
T 954 CKJ	25.0%	3,616,180	-	-	3,616,180	904,045	2,712,135
T 966 CKJ	25.0%	5,211,071	-	5,211,071	-	-	-
T 970 CKJ	25.0%	4	-	-	4	1	3
T 267 CUE	25.0%	11,547,140	-	-	11,547,140	2,886,785	8,660,355
T 276 CUE	25.0%	11,547,140	-	-	11,547,140	2,886,785	8,660,355
T 280 CUE	25.0%	11,547,140	-	-	11,547,140	2,886,785	8,660,355
T 292 CUE	25.0%	11,547,140	-	-	11,547,140	2,886,785	8,660,355
T 314 CUE	25.0%	11,547,140	-	-	11,547,140	2,886,785	8,660,355
T 320 CUE	25.0%	11,508,136	-	-	11,508,136	2,877,034	8,631,102
T 323 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 326 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 329 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 330 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 332 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 336 DMR	25.0%	46,323,355	-	-	46,323,355	11,580,839	34,742,516
T 107 DBV	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 112 DBV	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 113 DBV	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 115 DBV	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 119 DBV	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 998 DBU	25.0%	19,799,984	-	-	19,799,984	4,949,996	14,849,988
T 497 DDJ	25.0%	23,719,630	-	-	23,719,630	5,929,907	17,789,722

T 475 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 478 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 480 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 481 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 482 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 484 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 518 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 525 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 528 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
T 530 DUK	25.0%	-	68,478,523	-	68,478,523	4,279,908	64,198,615
<u>Trucks/ Tractors</u>							
T 606 CVX	25.0%	15,187,456	-	15,187,456	-	-	-
T 607 CVX	25.0%	15,187,456	-	-	15,187,456	3,796,864	11,390,592
T 608 CVX	25.0%	15,187,456	-	-	15,187,456	3,796,864	11,390,592
T 610 CVX	25.0%	15,187,456	-	-	15,187,456	3,796,864	11,390,592
T 632 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 634 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 642 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 648 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 649 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 650 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 652 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 657 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 662 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 664 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 716 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 718 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 720 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 721 DNS	25.0%	72,036,231	-	-	72,036,231	18,009,058	54,027,173
T 160 DBL	25.0%	23,578,769	-	-	23,578,769	5,894,692	17,684,076
T 161 DBL	25.0%	23,578,769	-	-	23,578,769	5,894,692	17,684,076
T 164 DBL	25.0%	23,578,769	-	-	23,578,769	5,894,692	17,684,076
T 166 DBL	25.0%	23,578,769	-	-	23,578,769	5,894,692	17,684,076
T 168 DBL	25.0%	23,578,768	-	-	23,578,768	5,894,692	17,684,076
T 170 DBL	25.0%	23,578,769	-	-	23,578,769	5,894,692	17,684,076
T 496 DDJ	25.0%	28,322,832	-	28,322,832	-	-	-
T 502 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 504 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 505 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 506 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 508 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 510 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 511 DDJ	25.0%	28,322,832	-	-	28,322,832	7,080,708	21,242,124
T 526 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 527 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 529 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 532 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 535 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 538 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 545 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 547 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 549 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 552 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 553 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 554 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 561 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 562 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 563 DQJ	25.0%	81,697,207	-	-	81,697,207	20,424,302	61,272,905
T 856 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 863 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 917 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 919 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 921 DGN	25.0%	49,752,176	-	49,752,176	-	-	-
T 923 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 968 DGN	25.0%	49,752,176	-	-	49,752,176	12,438,044	37,314,132
T 830 DHB	25.0%	53,118,569	-	-	53,118,569	13,279,642	39,838,927
T 832 DHB	25.0%	53,118,569	-	-	53,118,569	13,279,642	39,838,927
T 835 DHB	25.0%	53,118,569	-	53,118,569	-	-	-
T 836 DHB	25.0%	53,118,569	-	-	53,118,569	13,279,642	39,838,927
T 837 DHB	25.0%	53,118,569	-	-	53,118,569	13,279,642	39,838,927
T 838 DHB	25.0%	53,118,569	-	-	53,118,569	13,279,642	39,838,927
T 184 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 185 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 187 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 188 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 189 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 190 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 192 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 193 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 196 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 198 DJD	25.0%	55,812,473	-	-	55,812,473	13,953,118	41,859,355
T 398 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 400 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 402 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548

T 403 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 404 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 406 DMN	25.0%	60,855,398	-	-	60,855,398	15,213,849	45,641,548
T 818 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 831 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 936 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 946 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 949 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 951 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 954 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 956 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 957 DJZ	25.0%	46,979,836	-	-	46,979,836	11,744,959	35,234,877
T 805 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 807 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 809 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 811 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 813 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 817 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 820 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 822 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 824 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 825 DTW	25.0%		100,398,609		100,398,609	10,458,188	89,940,420
T 671 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 675 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 682 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 684 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 688 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 690 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 692 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 695 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 703 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 704 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 705 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 706 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 707 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 708 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 709 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 711 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 712 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 713 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 696 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
T 678 DUL	25.0%		98,767,360		98,767,360	6,172,960	92,594,400
		8,306,576,587	5,450,578,136	181,242,182	13,575,912,499	2,420,781,411	11,155,131,088

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	<u>Notes</u>	<u>2020</u> <u>TShs</u>	<u>2019</u> <u>TShs</u>
8	<u>Inventories:</u>		
	Motor Vehicle Maintenance	138,007,809	80,041,585
	M/Vehicle Fuel & Lubricants	7,542,100	10,117,770
	Tyres & tubes	125,478,900	19,305,330
		<u>271,028,809</u>	<u>109,464,685</u>
9	<u>Cash and cash equivalents:</u>		
	Cash in hand	5,011,162	6,333,200
	Cash at bank	520,407,572	123,014,274
		<u>525,418,734</u>	<u>129,347,474</u>
10	<u>Trade and Other receivables:</u>		
	Trade receivables	3,131,145,219	2,374,934,702
	Fixed Deposits	176,007,750	163,500,000
	Deposits, Advances & Prepayments	154,950,538	82,205,371
		<u>3,462,103,507</u>	<u>2,620,640,073</u>
11	<u>Share Capital:</u>	No. of ordinary shares issued	No. of ordinary shares issued
	As 31 December 2020	<u>155</u>	<u>15,500,000</u>
	Authorised Shares: The total number of authorised ordinary shares is 5,000 out of which 155 shares are issued with a par value of Tshs. 100,000/- each.		
12	<u>Long Term Liabilities:</u>		
	The long term liabilities have been secured against movable and immovable assets of the company.		
	Due to Directors	4,281,685,585	2,276,066,619
	Loan - Bank	5,145,726,238	2,886,166,964
	Loans Payable	11,857,602	116,052,447
		<u>9,439,269,424</u>	<u>5,278,286,029</u>
13	<u>Bank Overdraft</u>		
	Bank Overdraft	<u>-</u>	<u>1,733,029,149</u>
	The above Overdraft facility is obtained from Canara Bank (T) Ltd and its details as below:		
	a) Purpose : Trucks operations and working capital		
	b) Interest rate 7% per annum.		
	c) Facility Limit upto USD 900,000		
	e) Secured against movable assests of the company		
14	<u>Trade and Other payables:</u>		
	Trade payables	3,094,030,566	3,152,625,337
	Vat Control	352,530,056	402,792,799
	Accruals and Other payables	494,324,835	279,104,475
		<u>3,940,885,457</u>	<u>3,834,522,611</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management perform cash flow forecasting and monitor rolling forecasts of the trust's liquidity requirements to ensure it has sufficient cash to meet its operational needs. The trust's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

(ii) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

The amount that best represents the Company's maximum exposure to credit risk at 31 December 2020 is the carrying value of its financial assets in the statement of financial position.

(iii) Market risk

- Foreign exchange risk

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollars. Foreign exchange risk arises from future transactions, assets and liabilities in the statement of financial position.

The company does not hedge foreign exchange fluctuations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Capital management

Internally imposed capital requirements

The company's objectives when managing capital are:

- To provide an adequate return to shareholders by pricing products commensurate with the level of
- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide
- To maintain a strong asset base to support the development of business and;
- To maintain an optimal capital structure to reduce the cost of capital.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

SPECIALISED HAULIERS (T) LIMITED
Supplementary information
For the year ended 31st December,2020

	2020
	Tshs
Profit before tax as per accounts	3,035,190,427
<u>Add: Non-allowable expenses</u>	
Depreciation	2,420,781,411
	<u>5,455,971,838</u>
<u>Less: Allowable deductions</u>	
Wear and tear allowances	2,416,070,114
Taxable Profit for the year	<u>3,039,901,724</u>
Corporation Tax at 30%	<u>911,970,517</u>
<u>TAX COMPUTATION</u>	
Balance brought forward	-
Withholding tax paid on Interest on Fixed deposit	1,389,750
Provisional tax paid during the year	916,200,000
	<u>917,589,750</u>
Corporate Tax as per above	911,970,517
Tax repayable	<u>(5,619,233)</u>

WEAR AND TEAR ALLOWANCE SCHEDULE FOR THE YEAR 2020

	CLASS I	CLASS II	CLASS III	CLASS VI	TOTAL
	37.5%	25.0%	12.5%	5.0%	
	Tshs	Tshs	Tshs	Tshs	Tshs
WDV as at 01.01.2020	33,304,188	8,052,365,618	80,592,460	162,382,009	8,328,644,275
Additions	8,539,322	5,413,450,099	28,588,673	-	5,450,578,095
	<u>41,843,510</u>	<u>13,465,815,717</u>	<u>109,181,133</u>	<u>162,382,009</u>	<u>13,779,222,370</u>
Disposal	1,378,942	178,783,133	2,459,048	-	182,621,124
	<u>41,843,510</u>	<u>13,287,032,584</u>	<u>109,181,133</u>	<u>162,382,009</u>	<u>13,596,601,246</u>
Depreciation allowance	13,415,972	2,387,052,593	7,482,449	8,119,100	2,416,070,114
WDV as at 31.12.2020	<u>28,427,538</u>	<u>10,899,979,991</u>	<u>101,698,684</u>	<u>154,262,909</u>	<u>11,180,531,132</u>