

TANZANIA ROAD HAULAGE (1980) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021



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

Tanzania Road Haulage (1980) Limited
Annual report and financial statements
For the year ending 31st December 2021

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Company information

Board of directors	Names	Nationality
	Mr. Anwarali R. Dharamsi	Tanzanian
	Mrs. Zainab A. Dharamsi	Tanzanian
	Mr. Muslim R. Dharamsi	Tanzanian
	Mr. Afzal G. Rajani	Tanzanian

Registered office
Nelson Mandela Highway Express
Kurasini Area
P.O. Box 21493
Dar es Salaam

Principal bankers
Standard Chartered Bank Tanzania Limited
Dar es Salaam
Tanzania

Habib African Bank Tanzania Limited
Dar es Salaam
Tanzania

Bank of Africa
Dar es Salaam
Tanzania

Exim Bank (T) Ltd.
Dar es Salaam
Tanzania

Azania Bank Tanzania Limited
Dar es Salaam
Tanzania

Canara Bank (T) Limited
Dar es Salaam
Tanzania

Independent Practitioner
Assad Associates
Certified Public Accountants
Mansfield/ Bridge street
P O Box 7286
Dar es Salaam
Tanzania

Company Secretary
Mr. Mahmood Versi

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 December 2021 which disclose 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. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide a full range of transport and logistic services including cargo survey and inspection, cargo picking and packing, container haulage, Internal Container Depot (ICD) and Container Freight Station (CFS) services; nationally and across the border to landlocked countries.

COMPANY'S VISION

To become a leading transportation company aiming to offer fully integrated transportation solutions including full chain of logistics by means of highest safety standards and total commitment to our clients and suppliers to their satisfaction.

COMPANY'S MISSION

After working in the transport and logistics business for over 30 years and with extensive experience in this sector, we engage in transport and logistic services with innovative solutions to fulfill any unique and individual requirement in a excellent, the most effective way in accordance with the principles of the market economy, aiming at the maximum transparency and clarity and endeavouring to expand our fleet with brand new International vehicles; designed for tropical rough roads that will facilitate to maintain our status as competitive carriers.

We uphold Tanzanian values and we adapt ourselves to local needs and conditions through continous improvements in order to exceed our customers' expectations and requirements. We constantly reinforce our skills in transport and logistics market.

We are dedicated to the idea of integrity and loyalty and we work in perfect compliance with sustainable environmental balance policies.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors who held office during the year and at the date of this report are shown as follows:

Names	Position
Mr. Anwarali R.Dharamsi	Director/CEO
Mrs. Zainab A.Dharamsi	Director
Mr. Muslim R Dharamsi	Director
Mr. Afzal G Rajani	Director

In accordance with the company's Articles of Association, no director is due for retirement by rotation.

CORPORATE GOVERNANCE

The Board of Directors consists of four directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring significant 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 and procedures is operative, and for compliance with sound corporate governance principles.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability to ensure high standards of corporate governance throughout the company.

REPORT OF THE DIRECTORS (CONTINUED)

SHARE CAPITAL

The authorised and issued share capital of the company is shown on note 16 of the financial statements. The shareholders of the company with their respective shareholdings is as follows:

Name of the shareholders	No of shares held	% holding
Mr. Anwarali R.Dharamsi	4,500,000	50%
Mrs. Zainab A.Dharamsi	4,500,000	50%
	9,000,000	100%

DIRECTORS' INTEREST

The directors' interest in the issued share capital of the Company as at 31 December 2021 is as stated above.

RESULTS

	2021 T.SHS	2020 T.SHS
Profit before tax	2,463,953,445	2,802,522,081
Tax charge	(235,699,721)	(1,212,711,783)
Profit for the year	2,228,253,724	1,589,810,298

DIVIDEND

The directors propose a final dividend of Tshs 44.44 per share (2020: 44.44) amounting to a total of Tshs 400,000,000 (2020:400,000,000/-).

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2021 and is of the opinion that they met the expected criteria.

SOLVENCY

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Tanzania Road Haulage (1980) Limited has adequate resources to continue in operational existence for the foreseeable future.

REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 December 2021. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

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.

ENVIRONMENTAL CONTROL PROGRAMME

Natural ventilation outlets, proper sanitation and regular garbage collection are consistently carried out. Fire alarms, cable insulation, fire extinguisher, fire hose reels and external fire rescue assistance are in place. Uniforms and protective gears are provided to all staffs.

CORPORATE SOCIAL RESPONSIBILITY

Our code of conduct explains our commitment to inclusive workplace behaviour and encourages employees to report inappropriate or unaccepted behaviour to their manager.

Driver's recruitment and engagement are done from all backgrounds, especially who are cautious and care for stakeholders' safety. It helps us to build a workforce that is more road sign cautious. This is designed to ensure the right skills to remain competitive and operate successfully over the next decade.

INDEPENDENT PRACTITIONER

The company's independent practitioner, 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 for the year ended 31 December 2022 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD


Mr. Anwarali R. Dharamsi
Director

25.06. 2022


Mrs. Zainab A. Dharamsi
Director

25.06. 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year the results of its operation and cash flows for the year then ended, in conformity with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SME's) and the requirement of Tanzania Companies Act, 2002 and that they are free from material misstatement whether due to fraud or error.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

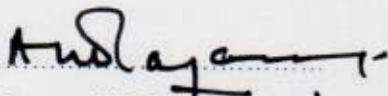
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or loss.

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2022 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2021 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 (IFRS for SME's) and the requirements of the Tanzania Companies Act 2002.

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


.....
Mr. Anwarali R. Dharamsi
Director

25.06.2022
.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF TANZANIA ROAD HAULAGE (1980) LTD

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 under Directors Responsibility statement on an earlier page.

I Newton Mathew being the Head of Accounting of Tanzania Road Haulage (1980) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 Decemeber 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 Tanzania Road Haulage (1980) Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Newton Mathew

Position: outsourced consultant

NBAA Membership No: Acpa 2839



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S REPORT
TO THE MEMBERS OF TANZANIA ROAD HAULAGE (1980) LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Tanzania Road Haulage (1980) Limited based on information you have provided. These financial statements comprise the statement of financial position of Tanzania Road Haulage (1980) Limited as at 31st December 2021, the statement of comprehensive 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 Tanzanian 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**

Signed by: Sajjad Jusab
FCPA 216

27.06.2022
Date

Place : Dar es Salaam

Samora Tower, Mezzanine 2nd Floor (M2), Corner of Bridge & Mansfield Street,
Opp. Saint Joseph Church, P.O.Box 7286, Dar Es Salaam, Tanzania.

+255 22 2115688/2114081 +255 788 331 331 assad@assad.co.tz www.assad.co.tz

Tanzania Road Haulage (1980) Limited
Annual report and financial statements
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STATEMENT OF PROFIT OR LOSS

	Notes	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
Revenue	1	36,011,937,609	47,710,911,113
Other Income	2	<u>289,660,867</u>	<u>340,522,164</u>
Direct expenses		36,301,598,476	48,051,433,276
Direct operating expenses	3	(20,892,401,500)	(30,289,767,268)
Cost of copper/ICD handling	4	(2,587,463,934)	(4,283,479,279)
Others costs	5	<u>(19,443,029)</u>	<u>(20,410,833)</u>
Gross Profit		12,802,290,013	13,457,775,896
Staff costs	6	(3,301,324,411)	(3,485,010,636)
Administration expenses	7	(1,640,457,654)	(1,871,924,981)
Finance costs	8	(39,616,283)	(82,877,038)
Depreciation: plant and equipments	11(a)	(3,852,722,096)	(3,632,055,766)
Depreciation: buildings	11(b)	<u>(1,504,216,124)</u>	<u>(1,583,385,394)</u>
Profit before tax		2,463,953,445	2,802,522,081
Income tax expense		(235,699,721)	(1,212,711,783)
Profit for the year		<u>2,228,253,724</u>	<u>1,589,810,298</u>

Tanzania Road Haulage (1980) Limited
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STATEMENT OF FINANCIAL POSITION

Assets	Note	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
Non current assets			
Vehicles, plant and equipments	11(a)	12,651,629,966	12,097,291,548
Properties	11(b)	29,978,776,592	31,482,992,717
Investment in shares	12	2,807,225,067	2,807,225,067
Deferred tax	10	526,634,618	-
Total non-current assets		<u>45,964,266,244</u>	<u>46,387,509,332</u>
Current assets			
Inventories	13	4,025,764,828	2,985,225,155
Trade and other receivables	14	5,987,835,962	5,393,792,602
Current tax	9	26,863,725	340,823,476
Cash and bank balance	15	1,703,647,891	1,443,275,765
Total current assets		<u>11,744,112,407</u>	<u>10,163,116,999</u>
Total assets		<u>57,708,378,650</u>	<u>56,550,626,331</u>
Equity and liability			
Capital and reserves			
Share capital	16	9,000,000,000	9,000,000,000
Retained earnings		39,811,759,744	38,443,977,107
Total equity		<u>48,811,759,744</u>	<u>47,443,977,107</u>
Non current liability			
Deferred tax	10	-	278,280,953
Total non-current liability		<u>-</u>	<u>278,280,953</u>
Current liability			
Trade and other payables	17	8,496,618,908	8,428,368,272
Dividends	18	400,000,000	400,000,000
Total Liability		<u>8,896,618,908</u>	<u>8,828,368,272</u>
Total Equity and Liability		<u>57,708,378,650</u>	<u>56,550,626,331</u>


 Mr. Anwarali R. Dharamsi
 Director

25.06.2022
 Date

Tanzania Road Haulage (1980) Limited
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STATEMENT OF CHANGES IN EQUITY

	Share capital <u>T.SHS</u>	Retained Earnings <u>T.SHS</u>	Total <u>T.SHS</u>
Year ended 31 December 2020			
At start	9,000,000,000	37,527,334,943	46,527,334,943
Prior year tax adjustment	-	(148,231,892)	(148,231,892)
Prior year tax paid	-	(124,936,242)	(124,936,242)
Total comprehensive income	-	1,589,810,298	1,589,810,298
Transactions with owners:			
Dividends:			
Final for 2020 (proposed)	-	(400,000,000)	(400,000,000)
Total	9,000,000,000	38,443,977,107	47,443,977,107
Year ended 31 December 2021			
At start	9,000,000,000	38,443,977,107	47,443,977,107
Prior year tax adjustment	-	(62,542,524)	(62,542,524)
Prior year tax paid	-	(397,928,562)	(397,928,562)
Total comprehensive income	-	2,228,253,724	2,228,253,724
Transactions with owners:			
Dividends:			
Final for 2021 (proposed)	-	(400,000,000)	(400,000,000)
Total	9,000,000,000	39,811,759,744	48,811,759,744

*Tanzania Road Haulage (1980) Limited
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STATEMENT OF CASH FLOW

	Note	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
<u>Cash flows from Operating Activities</u>			
Profit before Tax		2,463,953,445	2,802,522,081
Adjustments for:			
Depreciation	11(a)11(b)	5,356,938,220	5,215,441,160
Change in Working Capital			
Increase in inventories		(1,040,539,673)	(369,302,465)
(Increase)/decrease in receivable and prepayments		(594,043,360)	7,425,118,066
Decrease in creditors / advances		(331,749,364)	(5,244,407,077)
<i>Cash generated from operations</i>		<u>(1,966,332,397)</u>	<u>1,811,408,524</u>
Net tax paid		(1,187,126,627)	(1,400,190,548)
Net cash generated from Operating Activities		<u>4,667,432,641</u>	<u>8,429,181,217</u>
<u>Cash flows from Investing Activities</u>			
Purchase of fixed assets	11(a)	(4,411,054,046)	(948,708,847)
Sale of fixed assets	11(a)	3,993,532	6,873,635
Net cash used in Investing Activities		<u>(4,407,060,514)</u>	<u>(941,835,212)</u>
<u>Cash flows from Financing Activities</u>			
Decrease in bank overdraft		-	(6,607,345,332)
Net cash generated from Financing Activities		<u>-</u>	<u>(6,607,345,332)</u>
Net Change in Cash and Cash Equivalents		260,372,127	880,000,669
Cash and cash equivalents on 1 January		1,443,275,764	563,275,096
Cash and cash equivalents on 31 December	15	<u>1,703,647,891</u>	<u>1,443,275,764</u>

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.

1a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities, and the requirements of the Companies Act of United Republic of Tanzania. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings.

1b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and volume rebates.

Rental income is accrued by reference to time on a straight line basis over the lease term.

1c) Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Tax expense

Income tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year.

1d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates.

At the end of each reporting period:

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii) Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1e) Property and equipments

Property and equipments are tangible items that:

- i) Are held for use in the supply of services and for administrative purpose.
- ii) Are expected to be used for more than one period.

Items of property and equipments are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by

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 profit or loss in the year to which it relates.

Items of property and equipments are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the reducing balance method to write down the cost less estimated residual value over the useful life of property and equipments. The following annual rates are used for the depreciation of property and equipments.

Items	Rates
Computer	37.5%
Motor vehicle	25%
Furniture & equipments	12.5%
Generator	12.5%
Building	5%

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

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

1f) Impairment of asset

At each reporting date, the company assesses whether there is any indication that any asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, this does not apply to impairment losses allocated to goodwill, the reversal of which is prohibited by the standard.

1g) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets and liabilities that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

Trade and other receivables

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 profit or loss.

Trade and other payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade and other payables denominated in a foreign currency are translated into functional currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

1h) 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.

1i) Share capital

Ordinary shares are classified as equity.

1j) Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1k) Comparatives

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

2) Key sources of estimation uncertainty

In the application of the accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Property and equipments

Critical estimates are made by the directors in determining depreciation rates for property and equipments. The depreciation rates used are set out in the respective accounting policy under property and equipments.

(ii) 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.

NOTES TO THE FINANCIAL STATEMENTS

	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
1 Revenue		
ICD income (gross)	6,053,019,945	7,970,450,212
Port charges paid	<u>(2,397,803,378)</u>	<u>(2,001,000,325)</u>
	3,655,216,568	5,969,449,888
ICD transport income	180,132,500	160,100,800
ICD corridor levy recovery	<u>56,406,369</u>	<u>-</u>
Total ICD Income	<u>3,891,755,437</u>	<u>6,129,550,688</u>
Income from transport	22,037,505,102	28,568,201,715
Income from loading / offloading	3,714,268,560	3,222,339,913
Copper handling	<u>6,368,408,510</u>	<u>9,790,818,797</u>
Total Transport and Logistics income	<u>36,011,937,609</u>	<u>47,710,911,113</u>
2 Other gains and losses		
Sale of assets / vehicles	7,627,119	67,796,610
Other income	198,246	-
Income from leasing	185,532,000	188,952,000
Claim received - insurance	9,133,636	34,877,354
Gain or loss on exchange	<u>87,169,866</u>	<u>48,896,200</u>
Total other income	<u>289,660,867</u>	<u>340,522,164</u>
Total revenue	<u>36,301,598,476</u>	<u>48,051,433,276</u>
Direct Operating Expenses:		
3 Operating expenses		
Driver / turnboys safari expense	1,086,783,012	1,145,894,000
Drivers permit and passes	4,904,000	11,601,000
Forklift/crane running expenses	689,708,202	710,626,699
Hired transport	7,867,102,302	15,257,708,186
Insurance motor vehicles	387,014,437	250,869,285
Motor vehicle licence	8,448,528	2,905,407
LATRA fees	67,807,500	89,029,500
Lorry running Expenses	1,327,121,793	2,852,532,896
Lorry fuel	7,541,112,189	6,547,746,641
Road toll / way bridge	1,241,132,334	2,213,851,124
Subs / licence / fees and others	2,966,102	-
Trailer running expenses	486,186,863	1,025,076,900
Transit licence	<u>182,114,238</u>	<u>181,925,630</u>
	<u>20,892,401,500</u>	<u>30,289,767,268</u>
4 Cost of copper/ICD handling		
Hired transport	163,859,569	208,408,892
Container handling and movement expenses	2,280,734,922	3,927,358,036
Insurance and license	70,827,670	86,660,000
TAZARA rail sliding fees	<u>72,041,774</u>	<u>61,052,351</u>
	<u>2,587,463,934</u>	<u>4,283,479,279</u>
5 Other cost		
National housing corp rent	15,449,497	13,537,198
Book value of assets	<u>3,993,532</u>	<u>6,873,635</u>
	<u>19,443,029</u>	<u>20,410,833</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
6 Staff Cost		
Salaries and wages	2,715,856,129	2,879,966,881
Pension contribution	268,505,614	287,996,687
	<u>2,984,361,743</u>	<u>3,167,963,568</u>
Other Staff Related Cost		
Staff medical reimbursements	42,451,150	14,439,000
Staff meals and refreshments	8,409,034	19,063,844
Staff uniforms	125,000	-
Skill and development levy	119,502,075	138,244,068
Staff bus running expenses	120,223,008	116,500,392
Staff training	4,560,400	-
Workmen compensation fund	21,692,001	28,799,765
	<u>316,962,668</u>	<u>317,047,068</u>
	<u>3,301,324,411</u>	<u>3,485,010,636</u>
7 Administration Expenses:		
Accountancy fees	10,000,000	10,000,000
Advertisement /promotion	1,972,000	21,082,400
Bad debts	-	10,578,581
Business travelling	157,205,432	60,867,470
Car/bike and pickup running	271,463,345	266,318,169
Parking fees	53,651,000	81,514,660
City service levy	109,903,031	149,885,979
Directors fees	120,000,000	214,684,600
Donations	141,654,500	293,784,700
Generator repairs and maintenance	73,915,282	50,861,000
Subs / licences / fees and others	281,063,779	201,401,667
Fire and rescue / night security	4,000,000	6,000,000
IT expenses	77,766,814	60,382,939
Repair and maintenance	148,999,929	138,679,649
Office general expenses	990,000	3,948,000
Paper and periodical	402,000	961,000
Postage and telephone	14,165,300	11,705,800
Power / water and ewura charges	24,941,635	21,427,734
Printing and stationery	50,011,465	50,588,109
Tanker / tipper / dump truck running	87,035,331	213,884,323
W/Shop and garage repairs	11,316,809	3,368,202
	<u>1,640,457,654</u>	<u>1,871,924,981</u>
8 Finance Cost		
Bank charges and interest	39,616,283	82,877,038
	<u>39,616,283</u>	<u>82,877,038</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
9 Tax expense		
Current tax	1,040,615,292	934,430,830
Deferred tax credit (Note 10)	(804,915,571)	278,280,953
Tax charge	<u><u>235,699,721</u></u>	<u><u>1,212,711,783</u></u>
 Reconciliation of tax expense		
Profit before tax	<u>2,463,953,445</u>	<u>2,802,522,081</u>
Tax calculated at a tax rate of 30% (2020: 30%)	739,186,034	840,756,624
Income not subject to tax	53,075,594	93,674,206
Deferred tax expense	-	278,280,953
Prior year deferred tax understated	(556,561,906)	-
Tax charge	<u><u>235,699,721</u></u>	<u><u>1,212,711,783</u></u>
 Tax movement		
Corporation tax at 30%	1,040,615,292	934,430,830
Provisional tax paid for the year	(1,050,000,000)	(1,260,000,000)
Tax withholding during year	(17,479,018)	(15,254,307)
Tax payable / (recoverable)	<u><u>(26,863,725)</u></u>	<u><u>(340,823,476)</u></u>

10 Deferred tax

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2020: 30%). The movement on the deferred tax account is as follows:

At start of year	278,280,953	-
Deferred tax credit	(804,915,571)	278,280,953
At end of year	<u><u>(526,634,618)</u></u>	<u><u>278,280,953</u></u>

Deferred tax asset, deferred tax credit in the statement of

	At start of year <u>T.SHS.</u>	Credit to profit or loss <u>T.SHS.</u>	At end of year <u>T.SHS.</u>
Deferred tax liability			
Year ended 31 December 2021			
Excess capital allowances over depreciation	278,280,953	(248,353,665)	29,927,288
Prior deferred tax understated	-	(556,561,906)	(556,561,906)
Net deferred tax asset	<u><u>278,280,953</u></u>	<u><u>(804,915,571)</u></u>	<u><u>(526,634,618)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(a) Vehicles and equipments

TYPE	BAL. 01.01.21 T.SHS	ADDITIONS T.SHS	DISPOSALS T.SHS	TOTAL T.SHS	DEPRECIATION T.SHS	W.D. VALUE 2021 T.SHS
Horse / Trucks	4,650,322,754	3,263,637,666	(3,595,438)	7,910,364,981	1,975,218,192	5,935,146,789
Trailers	4,103,959,211	1,083,951,389	-	5,187,910,600	1,294,000,833	3,893,909,767
TRACTORS	1,932,285	-	-	1,932,285	258,945	1,673,340
FORK LIFT/CRANES	755,467,236	-	-	755,467,236	188,242,785	567,224,451
SALOON CARS & PICK UPS	333,916,408	-	(398,094)	333,518,314	82,595,725	250,922,589
STAFF BUS	24,159,795	-	-	24,159,795	5,814,970	18,344,825
TIPPERS / TANKERS	116,112,471	-	-	116,112,471	28,899,715	87,212,756
MOTOR CYCLES	9,132,078	-	-	9,132,078	1,587,201	7,544,877
BICYCLES	100,105	-	-	100,105	-	100,105
CONTAINER HANDLING TRUCK	72,660,630	-	-	72,660,630	9,082,580	63,578,050
W/SHOP MACHINES / TOOLS & ASS	54,267,218	-	-	54,267,218	6,783,405	47,483,813
OFFICE EQUIPMENT / AC	19,112,561	-	-	19,112,561	2,389,075	16,723,486
IT EQUIP & ACCESSORIES	221,117,212	46,495,932	-	267,613,144	33,451,645	234,161,499
FURNITURE & FITTINGS	564,287,443	-	-	564,287,443	70,535,935	493,751,508
FIRE FIGHTING EQUIP / HELMETS	21,697,393	-	-	21,697,393	2,712,175	18,985,218
STORAGE TANK/CONTAINERS/PUMP	262,138,467	-	-	262,138,467	32,767,310	229,371,157
WATER EQUIPMENT / WELLS	8,485,233	-	-	8,485,233	1,060,655	7,424,578
TARPAULINS	25,279,635	-	-	25,279,635	3,159,955	22,119,680
GENERATOR / TRANSFORMERS	306,046,186	-	-	306,046,186	38,255,775	267,790,411
TEL SYSTEM / INT -EXT	19,414,830	-	-	19,414,830	2,426,855	16,987,975
RADIO EQUIP	22,757,188	16,969,059	-	39,726,247	4,965,785	34,760,462
SECURITY EQUIP. / ARMS & AMMU	147,171,485	-	-	147,171,485	18,396,440	128,775,045
CONSTRUCTION EQUIPMENTS	21,587,645	-	-	21,587,645	8,095,370	13,492,275
SCAFFOLDING	11,138,836	-	-	11,138,836	1,392,355	9,746,481
WEIGHT BRIDGE/MCHINE/SCALES	41,422,201	-	-	41,422,201	5,177,780	36,244,421
PRINTING MACHINE	80,734,960	-	-	80,734,960	10,091,870	70,643,090
PASSENGER LIFT	199,743,659	-	-	199,743,659	24,967,960	174,775,699
MULTI - T - LOCKS	3,126,425	-	-	3,126,425	390,805	2,735,620
TOTAL	12,097,291,548	4,411,054,046	(3,993,532)	16,504,352,062	3,852,722,096	12,651,629,966

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(b) Schedule of Properties

	Cost T.SHS	Additions / Disposal T.SHS	Accumulated Depreciation B/f T.SHS	Sub Total T.SHS	Current Depreciation T.SHS	NBV 31.12.21 T.SHS
Building 1	385,747,258	-	(157,707,329)	228,039,929	(11,401,996)	216,637,933
Building - TRH HQ	3,576,308,043	-	(1,434,525,042)	2,141,783,001	(107,089,150)	2,034,693,851
Kurasini Copper Yard	8,959,200,779	-	(3,638,610,323)	5,320,590,456	(266,029,523)	5,054,560,933
Kurasini - ICD	7,325,997,832	-	(2,837,425,529)	4,488,572,303	(224,428,615)	4,264,143,688
Kurasini - ICD_Phase II	22,332,651,831	-	(6,802,515,258)	15,530,136,573	(776,506,829)	14,753,629,744
Work Shop	2,956,856,230	-	(1,098,536,361)	1,858,319,868	(92,915,993)	1,765,403,875
Mikocheni	236,250,000	-	(87,353,576)	148,896,424	(7,444,821)	141,451,603
Mbeya / Tunduma	321,636,420	-	(105,626,850)	216,009,570	(10,800,478)	205,209,091
Staff House	250,693,340	-	(98,718,984)	151,974,356	(7,598,718)	144,375,639
Plots	1,398,670,236	-	-	1,398,670,236	-	1,398,670,236
	47,744,011,968	-	(16,261,019,252)	31,482,992,716	(1,504,216,124)	29,978,776,592

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	2021	2020
	<u>T.SHS</u>	<u>T.SHS</u>
12 Investment in Shares		
Tanzania Oxygen Limited	3,300,000	3,300,000
A D Enterprises Limited	50,000,000	50,000,000
Afra Engineering Works Limited	50,003,400	50,003,400
Plot 1315/78 NHC	2,703,921,667	2,703,921,667
	<u>2,807,225,067</u>	<u>2,807,225,067</u>
13 Inventories		
Unutilized Stores		
Stores		
Opening Stock	2,781,071,030	2,360,508,325
Purchases	3,315,560,521	4,864,867,490
	<u>6,096,631,551</u>	<u>7,225,375,815</u>
Utilised	(2,291,270,518)	(4,444,304,785)
Closing Stock	<u>3,805,361,033</u>	<u>2,781,071,030</u>
Fuel & Lubs		
Opening Stock	200,154,125	251,414,365
Purchases	6,387,723,571	3,834,134,160
	<u>6,587,877,695</u>	<u>4,085,548,525</u>
Consumption	(6,371,473,900)	(3,885,394,400)
Closing Stock	<u>216,403,795</u>	<u>200,154,125</u>
Stock: Stationery	<u>4,000,000</u>	<u>4,000,000</u>
	<u>4,025,764,828</u>	<u>2,985,225,155</u>
14 Trade and Other Receivables		
Trade debtors	3,850,270,185	2,948,795,591
Prepayments	1,599,394,332	2,100,205,199
Deposits - TICTS	157,500,000	157,500,000
Deposits - utilities/others	20,425,265	20,425,265
Staff medium term loan	84,495,430	109,704,119
VAT receivable	236,912,950	57,162,428
Other receivables	38,837,800	-
	<u>5,987,835,962</u>	<u>5,393,792,602</u>
15 Cash and Bank Balances		
Cash on hand	183,012,456	179,254,835
Cash at bank	1,520,635,435	1,264,020,930
	<u>1,703,647,891</u>	<u>1,443,275,765</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 <u>T.SHS</u>	2020 <u>T.SHS</u>
16 Share Capital		
Authorised share capital 10,500,000 Shares of TSh 1,000/= @	10,500,000,000 <u>10,500,000,000</u>	10,500,000,000 <u>10,500,000,000</u>
Issued and fully paid up capital 9,000,000 Shares of TSh 1,000/= @	9,000,000,000 <u>9,000,000,000</u>	9,000,000,000 <u>9,000,000,000</u>
17 Trade and other payables		
Trade creditors	707,756,039	1,024,281,589
Other payables	74,748,539	56,568,594
Associated companies	7,714,114,330 <u>8,496,618,908</u>	7,347,518,088 <u>8,428,368,272</u>
18 Dividends		
The directors propose a final dividend of Tshs 44.44 per share (2020: 44.44) amounting to a total of Tshs 400,000,000 (2020: 400,000,000/-).		
19 Contingent liability		
As at 31 December 2021, the Company had no litigations.		
20 Subsequent event		
There were no subsequent events after the year end, which requires adjustments or disclosures in the financial statements.		
21 Capital Commitments		
As at 31 December 2021, the Company had no capital expenditure contracted or accrued.		

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INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2021

	2021
	T.SHS
Profit as Per Accounts	2,463,953,445
Add: Non-allowable expenses	
Depreciation on Vehicles and Equipment	3,852,722,096
Depreciation on Buildings	1,504,216,124
Travelling 20%	31,441,086
Donations	141,654,500
Office General	990,000
Telephone 20%	2,833,060
	<u>7,997,810,311</u>
Less: Allowable deductions	
	<u>(4,529,092,670)</u>
Adjusted income for the year	<u>3,468,717,642</u>
Corporation Tax 30% on Tshs	<u>1,040,615,292</u>
POSITION OF TAXATION	
Corporation Tax as above	1,040,615,292
Add: Provisional Tax Paid during the Year	(1,050,000,000)
Add: Tax withhold during the year	(17,479,018)
Tax Payable / Recoverable	<u>(26,863,725)</u>

DEPRECIATION ALLOWANCE SCHEDULE FOR 2021

Class wise

Class	Class I	Class II	Class III	Total
Rate	37.5%	25.00%	12.50%	
WDV as at 1.1.2021	33,377,508	9,685,200,870	2,126,169,258	11,844,747,636
Additions	0	4,347,589,055	63,464,991	4,411,054,046
Sub Total	33,377,508	14,032,789,925	2,189,634,249	16,255,801,682
Less Disposal	0	(3,993,532)	0	(3,993,532)
Sub Total	33,377,508	14,028,796,393	2,189,634,249	16,251,808,150
Depreciation Allowance	12,516,566	3,507,199,098	273,704,281	3,793,419,945
WDV as at 31.12.21	20,860,943	10,521,597,295	1,915,929,968	12,458,388,205

Class VI	COST	WDV	Total
Rate	5.00% SL	5.00% SL	
WDV as at 1.1.2021	14,713,454,498	10,448,456,005	25,161,910,503
Additions	0	0	0
Sub Total	14,713,454,498	10,448,456,005	25,161,910,503
Less Disposal	0	0	0
Sub Total	14,713,454,498	10,448,456,005	25,161,910,503
Depreciation Allowance	0	735,672,725	735,672,725
WDV as at 31.12.21	14,713,454,498	9,712,783,280	24,426,237,778