

TANZANIA ROAD HAULAGE (1980) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

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*Tanzania Road Haulage (1980) Limited
Annual report and financial statements
For the year ending 31st December 2020*

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Tanzania Road Haulage (1980) Limited
Annual report and financial statements
For the year ending 31st December 2020

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
Habib African Bank Tanzania Limited
Bank of Africa
Exim Bank (T) Ltd.
Azania Bank Tanzania Limited
Canara Bank (T) Ltd

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 2020 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 continuous 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
Anwarali R Dharamsi	Director/CEO
Zainab A Dharamsi	Director
Muslim R Dharamsi	Director
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
Anwarali R Dharamsi	4,500,000	50%
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 2020 is as stated above.

RESULTS

	2020	2019
	T.SHS	T.SHS
Profit before tax	2,802,522,081	3,083,432,981
Tax charge - Current year	(1,212,711,783)	(1,285,295,982)
Tax charge - Prior year	-	-
Profit for the year	1,589,810,298	1,798,136,999

DIVIDEND

The directors propose a final dividend of Tshs 44.44 per share (2019: Nil) amounting to a total of Tshs 400,000,000 (2019:Nil).

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 2020 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 2020. 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 for R & M section 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.

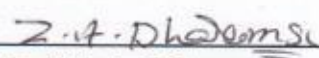
INDEPENDENT PRACTITIONER

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 2021 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Mr. Anwarali R. Dharamsi
Director
22/6/2021



Mrs. Zainab A. Dharamsi
Director
22/6/2021

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 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 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

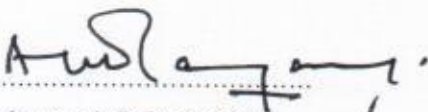
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for 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 2021 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 2020 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Tanzanian Companies Act 2002.

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



Mr. Anwarali R. Dharamsi
Director

22/6/2021
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.

INewton 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 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 TANZANIA ROAD HAULAGE (1980) LIMITED as on that date and that they have been prepared based on properly maintained financial records.

Signed by:Mathew..

Position: Outsourced Consultant

NBAA Membership No:Acpa 2839.....



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

Tanzania Road Haulage (1980) Limited

*Practitioner's Compilation Report to the members of Tanzania Road Haulage (1980) Limited
For the year ending 31st December 2020*

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 2020, 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 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

Signed by: Sajjad Jusab
FCPA 216

Place : Dar es Salaam

22.06.2021
Date

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

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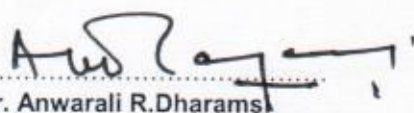
STATEMENT OF PROFIT OR LOSS

	Notes	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
Revenue	1	49,711,911,437	77,219,953,444
Other Income	2	340,522,164	269,463,670
		50,052,433,601	77,489,417,113
Direct expenses			
Direct operating expenses	3	(30,289,767,268)	(54,044,902,284)
Cost of copper/ICD handling	4	(6,284,479,603)	(7,683,752,017)
Others costs	5	(20,410,833)	(30,906,393)
Gross Profit		13,457,775,896	15,729,856,420
Staff costs	6	(3,485,010,636)	(3,732,039,593)
Administration expenses	7	(1,871,924,981)	(2,192,742,644)
Finance costs	8	(82,877,038)	(559,590,950)
Depreciation: plant and equipments	11(a)	(3,632,055,766)	(4,495,328,784)
Depreciation: buildings	11(b)	(1,583,385,394)	(1,666,721,467)
Profit before Tax		2,802,522,081	3,083,432,981
Income tax expense		(1,212,711,783)	(1,285,295,982)
Profit for the year		1,589,810,298	1,798,136,999

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STATEMENT OF FINANCIAL POSITION

Assets	Note	2020 T.SHS	2019 T.SHS
Non current assets			
Vehicles, plant and equipments	11(a)	12,097,291,548	14,787,512,102
Properties	11(b)	31,482,992,717	33,066,378,109
Investment in Shares	12	2,807,225,067	2,807,225,067
Total non-current assets		46,387,509,333	50,661,115,277
Current assets			
Inventories	13	2,985,225,155	2,615,922,689
Trade and other receivables	14	5,393,792,602	12,818,910,668
Current tax	9	340,823,476	148,231,892
Cash and bank balance	15	1,443,275,765	563,275,096
Total current assets		10,163,116,998	16,146,340,345
Total assets		56,550,626,331	66,807,455,623
Equity and liability			
Capital and reserves			
Share capital	16	9,000,000,000	9,000,000,000
Retained earnings		38,443,977,107	37,527,334,943
Total equity		47,443,977,107	46,527,334,943
Non current liability			
Deferred tax	10	278,280,952	-
Total non-current liability		278,280,952	-
Current liability			
Trade and other payables	17	8,428,368,272	13,672,775,348
Bank Overdraft	18	-	6,607,345,332
Dividends	19	400,000,000	-
Total Liability		8,828,368,272	20,280,120,680
Total Equity and Liability		56,550,626,331	66,807,455,623


Mr. Anwarali R. Dharams
Director

22/6/2021
Date

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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 2019			
At start	9,000,000,000	36,367,709,064	45,367,709,064
Prior year adjustment	-	(401,842,427)	(401,842,427)
Prior year tax	-	(236,668,693)	(236,668,693)
Total comprehensive income	-	1,798,136,999	1,798,136,999
Total	<u>9,000,000,000</u>	<u>37,527,334,943</u>	<u>46,527,334,943</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	<u>9,000,000,000</u>	<u>38,443,977,107</u>	<u>47,443,977,107</u>

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STATEMENT OF CASH FLOW

	Note	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
<u>Cash flows from Operating Activities</u>			
Profit before Tax		2,802,522,081	3,083,432,981
Adjustments for:			
Depreciation	11(a)11(b)	5,215,441,160	6,162,050,251
<u>Change in Working Capital</u>			
(Increase)/Decrease in Inventories		(369,302,465)	(1,583,384,542)
(Increase)/Decrease Receivable & Prepayments		7,425,118,066	(5,159,175,422)
(Increase)/Decrease in Tax Assets		-	-
Increase/(Decrease) in Creditors / Advances		(5,244,407,077)	(893,045,552)
Cash generated from operations		<u>1,811,408,524</u>	<u>(7,635,605,516)</u>
Net Tax Paid		(1,400,190,548)	(1,670,196,567)
Net cash (generated from)/used in Operating Activities		<u>8,429,181,217</u>	<u>-60,318,851</u>
<u>Cash flows from Investing Activities</u>			
Purchase of Fixed Assets	11(a)	(948,708,847)	(5,709,670,440)
Sale of Fixed Assets	11(a)	6,873,635	11,386,893
Net cash used in Investing Activities		<u>-941,835,212</u>	<u>-5,698,283,547</u>
<u>Cash flows from Financing Activities</u>			
Increase / (Decrease) in Bank & Other Borrowings		-	(1,706,597,838)
Increase / (Decrease) in Bank Overdraft		(6,607,345,332)	3,768,449,260
Net cash generated from Financing Activities		<u>-6,607,345,332</u>	<u>2,061,851,422</u>
Net Change in Cash and Cash Equivalents		<u>880,000,673</u>	<u>(3,696,750,976)</u>
Cash and Cash Equivalents on 31 December	15	1,443,275,765	563,275,096
Cash and Cash Equivalents on 1 January		563,275,096	4,260,026,071
Net Change in Cash and Cash Equivalents		<u>880,000,669</u>	<u>(3,696,750,974)</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 & equipments

Property & 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 & 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 comprehensive income in the year to which it relates.

Items of property & 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 & equipments. The following annual rates are used for the depreciation of property & 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 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 (or group of related assets) 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 (or group of related assets) 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.

Tanzania Road Haulage (1980) Limited
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NOTES TO THE FINANCIAL STATEMENTS

	2020	2019
	T.SHS	T.SHS
1 Revenue		
Income from Transport	28,568,201,715	49,747,695,670
Income from Loading / Offloading	3,222,339,913	4,427,257,350
Copper Handling	9,790,818,797	11,271,200,175
ICD Income	8,130,551,012	11,773,800,249
Total Transport and Logistics income	<u>49,711,911,437</u>	<u>77,219,953,444</u>
2 Other gains and losses		
Sale of Assets / Vehicles	67,796,610	12,711,864
Income from Leasing	188,952,000	192,924,000
Interest Received	-	100,602,739
Claim Received - Insurance	34,877,354	3,143,771
Gain and Loss on Exchange	48,896,200	-39,918,705
Total other income	<u>340,522,164</u>	<u>269,463,670</u>
Total revenue	<u>50,052,433,601</u>	<u>77,489,417,113</u>
Direct Operating Expenses:		
3 Operating expenses		
Driver / T boys safari expense	1,145,894,000	1,378,955,100
Drivers Permit and Passes	11,601,000	31,036,000
Forklift/Crane Running Exp.	710,626,699	997,278,767
Hired Transport	15,257,708,186	39,345,624,647
Insurance Motor Vehicles	250,869,285	332,514,179
Motor Vehicle Licence	2,905,407	24,103,119
LATRA Fees	89,029,500	79,217,500
Lorry - Running Exp.	2,852,532,896	2,520,068,600
Lorry Fuel	6,547,746,641	5,797,412,953
Road Toll / Way Bridge	2,213,851,124	2,080,559,175
Trailer Running Exp.	1,025,076,900	1,271,351,150
Transit Licence	181,925,630	186,781,094
	<u>30,289,767,268</u>	<u>54,044,902,284</u>
4 Cost of copper/ICD handling		
Hired Transport	208,408,892	268,073,500
Container Handling and Movement Exp	5,928,358,360	7,254,010,267
Insurance and License	86,660,000	100,626,250
TAZARA Rail Sliding Fees	61,052,351	61,042,000
	<u>6,284,479,603</u>	<u>7,683,752,017</u>
5 Other cost		
National Housing Corp	13,537,198	19,519,500
Book Value of Assets	6,873,635	11,386,893
	<u>20,410,833</u>	<u>30,906,393</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
6 Staff Cost		
Salaries and wages	2,879,966,881	2,956,417,912
NSSF	287,996,687	304,641,791
Staff leave travelling pay	-	6,850,000
Staff terminal benefit / severance	-	29,435,510
	<u>3,167,963,568</u>	<u>3,297,345,213</u>
Other Staff Related Cost		
Staff medical reimbursements	14,439,000	36,546,149
Staff meals and refreshments	19,063,844	33,766,354
Staff uniforms	-	11,826,000
Skill and development levy	138,244,068	154,234,899
Staff bus running expenses	116,500,392	121,774,977
Staff training	-	46,000,000
Workmen compensation fund	28,799,765	30,546,002
	<u>317,047,068</u>	<u>434,694,380</u>
	<u>3,485,010,636</u>	<u>3,732,039,593</u>
7 Administration Expenses:		
Accountancy Fees	10,000,000	10,000,000
Advertisement / Promotion	21,082,400	31,887,000
Bad Debts	10,578,581	-
Business Travelling Exp.	60,867,470	212,998,987
Car/Bike and P/Up Running Exp.	266,318,169	262,374,087
Parking Fees	81,514,660	100,901,894
City Service Levy	149,885,979	232,276,766
Directors Salaries	-	90,000,000
Directors Fees	214,684,600	120,000,000
Donation A/C	293,784,700	112,307,600
Generator R and M	50,861,000	64,770,826
Insurance Others	-	125,320,547
Subs / Licence / Fees and Others	201,401,667	292,962,261
Fire and Rescue / Night Security	6,000,000	-
Office Equipment Running Exp.	-	19,982,133
IT Expenses	60,382,939	70,420,281
Repair and Maintenance / Equip etc	138,679,649	174,488,906
Office Gen. Exp.	3,948,000	5,394,000
Paper and Periodical	961,000	1,004,000
Postage / Telephone and Telex	11,705,800	14,338,500
Power / Water and Ewura Charges	21,427,734	21,858,342
Printing and Stationery	50,588,109	38,905,086
Tanker / Tipper / Dump Truck Run. Exp.	213,884,323	184,775,460
W/Shop - Garage - R and M Exp.	3,368,202	5,775,968
	<u>1,871,924,981</u>	<u>2,192,742,644</u>
8 Finance Cost		
Bank Charges and Interest	82,877,038	549,340,950
Legal Fees	-	10,250,000
	<u>82,877,038</u>	<u>559,590,950</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 <u>T.SHS</u>	2019 <u>T.SHS</u>
9 Tax expense		
Current tax	934,430,831	1,285,295,983
Deferred tax credit (Note 9)	278,280,952	-
Tax charge	<u><u>1,212,711,783</u></u>	<u><u>1,285,295,983</u></u>
Reconciliation of tax expense		
Profit before tax	2,802,522,081	3,083,432,988
Tax calculated at a tax rate of 30% (2019: 30%)	840,756,624	925,029,897
Income not subject to tax	93,674,206	48,950,730
Deferred tax expense	278,280,952	-
Tax losses on which no deferred tax has been recognised	-	311,315,358
Tax charge	<u><u>1,212,711,783</u></u>	<u><u>1,285,295,983</u></u>
Tax movement		
Balance brought forward	-	-
Corporation tax at 30%	934,430,831	1,285,295,983
Provisional tax paid for the year	(1,260,000,000)	(1,410,000,000)
Tax withholding during year	(15,254,307)	(23,527,875)
Tax recoverable	<u><u>(340,823,476)</u></u>	<u><u>(148,231,892)</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% (2019: 30%). The movement on the deferred tax account is as follows:

At start of year	-	-
Deferred tax credit (Note 8)	278,280,952	-
At end of year	<u><u>278,280,952</u></u>	<u><u>-</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 2020			
Prior year tax losses	-	278,280,952	278,280,952
Net deferred tax asset	<u><u>-</u></u>	<u><u>278,280,952</u></u>	<u><u>278,280,952</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11(a) Vehicles, plant & equipments

TYPE	BAL. 01.01.20		ADDITIONS	DISPOSALS	TOTAL	DEPRECIATION		W.D. VALUE 2020	
	T.SHS	I.SHS				T.SHS	I.SHS	T.SHS	I.SHS
Horse / Trucks	6,197,447,456	-	-	-	6,197,447,456	1,547,124,702	-	4,650,322,754	-
Trailers	4,618,742,135	849,489,459	-	-	5,468,231,594	1,364,272,383	-	4,103,959,211	-
TRACTORS	2,309,720	-	-	-	2,309,720	377,435	-	1,932,285	-
FORK LIFT/CRANES	1,006,489,891	-	-	-	1,006,489,891	251,022,655	-	755,467,236	-
SALOON CARS & PICK UPS	444,413,968	-	-	(100,000)	444,313,968	110,397,560	-	333,916,408	-
STAFF BUS	31,926,955	-	-	-	31,926,955	7,767,160	-	24,159,795	-
TIPPERS / TANKERS	161,531,576	-	-	(6,773,635)	154,757,941	38,645,470	-	116,112,471	-
MOTOR CYCLES	11,399,039	-	-	-	11,399,039	2,266,961	-	9,132,078	-
BICYCLES	100,105	-	-	-	100,105	-	-	100,105	-
CONTAINER HANDLING TRUCK	83,040,720	-	-	-	83,040,720	10,380,090	-	72,660,630	-
W/SHOP MACHINES / TOOLS & ASS	62,019,683	-	-	-	62,019,683	7,752,465	-	54,267,218	-
OFFICE EQUIPMENT / AC	21,842,931	-	-	-	21,842,931	2,730,370	-	19,112,561	-
IT EQUIP & ACCESSORIES	240,436,926	12,268,461	-	-	252,705,387	31,588,175	-	221,117,212	-
FURNITURE & FITTINGS	644,899,938	-	-	-	644,899,938	80,612,495	-	564,287,443	-
FIRE FIGHTING EQUIP / HELMETS	23,587,023	1,210,000	-	-	24,797,023	3,099,630	-	21,697,393	-
STORAGE TANK/CONTAINERS/PUMP	299,586,822	-	-	-	299,586,822	37,448,355	-	262,138,467	-
WATER EQUIPMENT / WELLS	9,697,413	-	-	-	9,697,413	1,212,180	-	8,485,233	-
TARPAULINS	28,891,015	-	-	-	28,891,015	3,611,380	-	25,279,635	-
GENERATOR / TRANSFORMERS	349,767,071	-	-	-	349,767,071	43,720,885	-	306,046,186	-
TEL SYSTEM / INT -EXT	22,188,380	-	-	-	22,188,380	2,773,550	-	19,414,830	-
RADIO EQUIP	26,008,218	-	-	-	26,008,218	3,251,030	-	22,757,188	-
SECURITY EQUIP / ARMS & AMMU	82,455,058	85,740,927	-	-	168,195,985	21,024,500	-	147,171,485	-
CONSTRUCTION EQUIPMENTS	34,540,240	-	-	-	34,540,240	12,952,595	-	21,587,645	-
SCAFFOLDING	12,730,101	-	-	-	12,730,101	1,591,265	-	11,138,836	-
WEIGHT BRIDGE/MCHINE/SCALES	47,339,661	-	-	-	47,339,661	5,917,460	-	41,422,201	-
PRINTING MACHINE	92,268,530	-	-	-	92,268,530	11,533,570	-	80,734,960	-
PASSENGER LIFT	228,278,469	-	-	-	228,278,469	28,534,810	-	199,743,659	-
MULTI - T - LOCKS	3,573,060	-	-	-	3,573,060	446,635	-	3,126,425	-
TOTAL	14,787,512,102	948,708,847	(6,873,635)	(6,873,635)	15,729,347,314	3,632,055,766	-	12,097,291,548	-

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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 31.12.20 T.SHS
Building 1	385,747,258	-	(145,705,227)	240,042,031	(12,002,102)	228,039,930
Building - TRH HQ	3,576,308,043	-	(1,321,799,621)	2,254,508,422	(112,725,421)	2,141,783,001
Kurasini Copper Yard	8,959,200,779	-	(3,358,579,246)	5,600,621,533	(280,031,077)	5,320,590,456
Kurasini - ICD	7,325,997,832	-	(2,601,184,882)	4,724,812,950	(236,240,647)	4,488,572,302
Kurasini - ICD_Phase II	22,332,651,831	-	(5,985,139,649)	16,347,512,182	(817,375,609)	15,530,136,573
Work Shop	2,956,856,230	-	(1,000,730,052)	1,956,126,177	(97,806,309)	1,858,319,868
Mikochehi	236,250,000	-	(79,516,922)	156,733,078	(7,836,654)	148,896,424
Mbeya / Tunduma	321,636,420	-	(94,257,925)	227,378,495	(11,368,925)	216,009,570
Staff House	250,693,340	-	(90,720,334)	159,973,006	(7,998,650)	151,974,356
Plots	1,398,670,236	-	-	1,398,670,236	-	1,398,670,236
	47,744,011,968	-	(14,677,633,858)	33,066,378,110	(1,583,385,394)	31,482,992,717

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020 T.SHS	2019 T.SHS
12 Investment in Shares		
Tanzania Oxygen Ltd.	3,300,000	3,300,000
A D Enterprises Ltd.	50,000,000	50,000,000
Afra Engineering Works Ltd. Plot 1315/78 NHC	50,003,400	50,003,400
	<u>2,703,921,667</u>	<u>2,703,921,667</u>
	<u>2,807,225,067</u>	<u>2,807,225,067</u>
13 Inventories		
Unutilized Stores		
Stores		
Opening Stock	2,360,508,325	765,130,469
Purchases	3,459,935,490	6,175,045,479
	<u>5,820,443,815</u>	<u>6,940,175,948</u>
Utilised	(3,039,372,785)	(4,579,667,623)
Closing Stock	<u>2,781,071,030</u>	<u>2,360,508,325</u>
Fuel & Lubs		
Opening Stock	251,414,365	263,407,677
Purchases	3,133,963,560	3,375,565,289
	<u>3,385,377,925</u>	<u>3,638,972,967</u>
Consumption	(3,185,223,800)	(3,387,558,602)
Closing Stock	<u>200,154,125</u>	<u>251,414,365</u>
Stock: Stationery	4,000,000	4,000,000
	<u>2,985,225,155</u>	<u>2,615,922,689</u>
14 Trade & Other Receivables		
Trade debtors	2,948,795,591	11,225,937,838
Prepayments	2,100,205,199	1,209,180,049
Deposits - TICTS	157,500,000	157,500,000
Deposits - Utilities/Others	20,425,265	29,850,563
Staff medium term loan	109,704,119	138,407,922
VAT receivable	57,162,428	62,388,678
Other receivables	-	(4,354,382)
	<u>5,393,792,602</u>	<u>12,818,910,668</u>
15 Cash and Bank Balances		
Cash on Hand	179,254,835	171,628,638
Cash at Bank	1,264,020,930	391,646,458
	<u>1,443,275,765</u>	<u>563,275,096</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2020	2019
	T.SHS	T.SHS
16 Share Capital		
Authorised Share Capital 10,500,000 Shares of TSh 1,000/= @	10,500,000,000	10,500,000,000
	<u>10,500,000,000</u>	<u>10,500,000,000</u>
Issued & Fully Paid Up Capital 9,000,000 Shares of TSh 1,000/= @	9,000,000,000	9,000,000,000
	<u>9,000,000,000</u>	<u>9,000,000,000</u>
17 Trade & other payables		
Trade creditors	1,024,281,589	2,614,388,758
Other Payables	56,568,594	0
Associated companies	7,347,518,088	11,058,386,591
	<u>8,428,368,272</u>	<u>13,672,775,348</u>
18 Bank Overdraft		
Habib African Bank Ltd	-	6,607,345,332
	<u>-</u>	<u>6,607,345,332</u>

The company obtained overdraft facility of USD 3.25 million in June 2019 in order to finance working capital requirement, cash flow and operating requirement.

Interest rate: 7% per annum payable at monthly rest.

Securities:

i. Personal guarantee of directors

ii. Registered mortgage of Plot no.18, /mikochehi Light Industrial area.

iii. Insurance cover.

19 Dividends

The directors propose a final dividend of Tshs 44.44 per share (2019: Nil) amounting to a total of Tshs 400,000,000 (2019:Nil).

20 Contingent liability

As at 31 December 2020, the Company had no litigations.

21 Subsequent event

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

22 Capital Commitments

As at 31 December 2020, the Company had no capital expenditure contracted or accrued.

INCOME TAX COMPUTATION

	2020
	T.SHS
Profit as Per Accounts	2,802,522,081
Add: Non-allowable expenses	
Depreciation on Vehicles, Plant & Equipment	3,632,055,766
Depreciation on Buildings	1,583,385,394
Travelling 20%	12,173,494
Donations	293,784,700
Office General	3,948,000
Telephone 20%	2,341,160
	<u>8,330,210,595</u>
Less: Allowable deductions	
Wear and tear allowance	(4,287,837,985)
Adjusted income for the year	<u>4,042,372,610</u>
Corporation Tax 30% on Tshs	<u><u>1,212,711,783</u></u>

POSITION OF TAXATION

Corporation Tax as above	1,212,711,783
Add: Provisional Tax Paid during the Year	(1,260,000,000)
Add: Tax withhold during the year	(15,254,307)
Tax Payable / Recoverable	<u><u>(62,542,524)</u></u>

DEPRECIATION ALLOWANCE SCHEDULE FOR 2020

Class wise

Class	Class I	Class II	Class III	Class VI	Total
Rate	37.5%	25.00%	12.50%	5.00% SL	
WDV as at 1.1.2020	53,404,013	12,070,985,335	2,330,688,336	14,713,454,498	29,168,532,183
TRA 2016 Audit Adjustmer	-	-	-	-	-
Sub Total	53,404,013	12,070,985,335	2,330,688,336	14,713,454,498	29,168,532,183
Additions	-	849,489,459	99,219,388	-	948,708,847
Sub Total	53,404,013	12,920,474,794	2,429,907,724	14,713,454,498	30,117,241,030
Less Disposal	-	(6,873,635)	-	-	(6,873,635)
Sub Total	53,404,013	12,913,601,159	2,429,907,724	14,713,454,498	30,110,367,395
Depreciation Allowance	20,026,505	3,228,400,290	303,738,465	735,672,725	4,287,837,985
WDV as at 31.12.20	33,377,508	9,685,200,870	2,126,169,258	13,977,781,773	25,822,529,409