

ANNUAL ACCOUNTS

TANZANIA ROAD HAULAGE (1980) LIMITED

P.O. BOX 21493

DAR ES SALAAM

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31st DECEMBER 2019.



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

P.O. BOX 7286, DAR ES SALAAM, TANZANIA

TEL: 2115688, 2114081

FAX: 2131036, E-mail: assad@assad.co.tz ; accounts@assad.co.tz



TANZANIA ROAD HAULAGE (1980) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019



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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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
UBL Bank (T) Ltd.
Bank M Tanzania Ltd
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 2019 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

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	

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 14 of the financial statements. The shareholders of the company with their respective shareholdings is as follows:

Name of the shareholders	No of shares held	
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 2019 is as stated above.

RESULTS

	2019 T.SHS	2018 T.SHS
Profit before tax	3,083,432,982	2,652,567,848
Tax charge - Current year	(1,285,295,983)	(1,194,311,169)
Tax charge - Prior year	-	-
Profit for the year	1,798,136,999	1,458,256,679

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2018: 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 2019 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 2019. 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

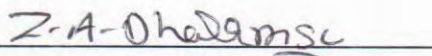
The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year ended 31 December 2020 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Mr. Anwarali R. Dharamsi
Director

20/5/2020



Mrs. Zainab A. Dharamsi
Director

20/5/2020



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.

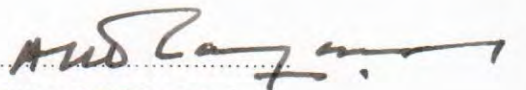
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for 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 2020 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 2019 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



DECLARATION OF THE HEAD OF ACCOUNTING OF TANZANIA ROAD HAULAGE (1980) 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 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 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view 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 2139



Report on the financial statements

We have compiled the accompanying financial statements of Equatoria Africa Limited based on information you have provided. These financial statements comprise the statement of financial position of Equatoria Africa Limited as at 31st December 2019, 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 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 IFRS.

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 Jussab
FCPA 216

21.05.2020
Date

Place : Dar es Salaam

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 T.SHS	2018 T.SHS
Revenue			
Transport & Logistic Income	1	77,219,953,444	65,602,137,904
Other Income	2	269,463,670	4,280,177,661
		77,489,417,113	69,882,315,565
Direct Operating Expenses	3	(54,044,902,284)	(47,365,837,753)
Cost of Copper / ICD Handling	4	(7,683,752,017)	(7,681,742,315)
Others / Cost	5	(30,906,393)	(11,570,400)
Gross Profit		15,729,856,420	14,823,165,097
Staff Cost	6	(3,732,039,593)	(3,330,964,447)
Administration Expenses	7	(2,192,742,644)	(2,356,298,457)
Finance Cost	8	(559,590,950)	(321,269,588)
Depreciation: Plant & Equipments	9(a)	(4,495,328,784)	(4,411,651,160)
Depreciation: Buildings	9 (b)	(1,666,721,467)	(1,750,413,596)
Profit before Tax		3,083,432,982	2,652,567,848
Less: Prior year taxes and other fees		3,083,432,982	2,652,567,848
Income tax expense		(1,285,295,983)	(1,194,311,169)
Profit for the year		1,798,136,999	1,458,256,679





STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Assets	Note	2019 T.SHS	2018 T.SHS
Non current assets			
Vehicles, plant & equipments	9(a)	14,787,512,102	14,593,678,348
Properties	9 (b)	33,066,378,109	33,723,978,567
Investment in Shares	10	2,807,225,067	2,807,225,067
Total non-current assets		50,661,115,278	51,124,881,982
Current assets			
Inventories	11	2,615,922,689	1,032,538,147
Trade & other receivables	12	12,756,521,991	7,659,735,247
Current tax		148,231,892	401,842,427
Cash and bank balance	13	563,275,096	4,260,026,071
Total current assets		16,083,951,668	13,354,141,892
Total assets		66,745,066,946	64,479,023,874
Equity and liability			
Capital and reserves			
Share capital	14	9,000,000,000	9,000,000,000
Retained earnings		37,527,334,943	36,367,709,064
Total equity		46,527,334,943	45,367,709,064
Non current liability			
Bank & Other borrowings	15	-	1,706,597,838
Total non-current liability		0	1,706,597,838
Current liability			
Trade and other payables	16	13,610,386,671	14,565,820,900
Bank Overdraft	17	6,607,345,332	2,838,896,072
Total Liability		20,217,732,003	19,111,314,810
Total Equity & Liability		66,745,066,946	64,479,023,874

Mr. Anwarali R.Dharamsi
Director

Date

20/5/2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Retained Earnings	Total
Year ended 31 December 2018			
At start	9,000,000,000	35,627,681,279	44,627,681,279
Prior year tax	-	(718,228,894)	(718,228,894)
Profit and loss	-	1,458,256,679	1,458,256,679
Total	9,000,000,000	36,367,709,064	45,367,709,064

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)
Profit and loss	-	1,798,136,999	1,798,136,999
Total	9,000,000,000	37,527,334,943	46,527,334,943



STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 T.SHS	2018 T.SHS
<u>Cash flows from Operating Activities</u>		
Profit before Tax	3,083,432,982	2,652,567,848
<u>Adjustments for:</u>		
Depreciation	6,162,050,251	6,162,064,756
<u>Change in Working Capital</u>		
(Increase)/Decrease in Inventories	(1,583,384,542)	228,836,483
(Increase)/Decrease Receivable & Prepayments	(5,096,786,744)	67,862,985
(Increase)/Decrease in Tax Assets	-	-
Increase/(Decrease) in Creditors / Advances	(955,434,229)	(2,411,126,416)
Increase/(Decrease) in Tax Provision	-	-
Cash generated from operations	<u>(7,635,605,516)</u>	<u>(2,114,426,948)</u>
Net Tax Paid	<u>(1,670,196,567)</u>	<u>(1,897,587,847)</u>
Net cash (generated from)/used in Operating Activities	<u>(60,318,850)</u>	<u>4,802,617,809</u>
<u>Cash flows from Investing Activities</u>		
Purchase of Fixed Assets	(5,709,670,440)	(6,635,256,924)
Sale of Fixed Assets	11,386,893	0
Net cash used in Investing Activities	<u>(5,698,283,547)</u>	<u>(6,635,256,924)</u>
<u>Cash flows from Financing Activities</u>		
Increase / (Decrease) in Bank & Other Borrowings	(1,706,597,838)	(1,745,142,842)
Increase / (Decrease) in Bank Overdraft	3,768,449,260	(380,657,688)
Net cash generated from Financing Activities	<u>2,061,851,422</u>	<u>(2,125,800,530)</u>
Net Change in Cash and Cash Equivalents	<u><u>(3,696,750,975)</u></u>	<u><u>(3,958,439,645)</u></u>
Cash and Cash Equivalents on 31 December	563,275,096	4,260,026,071
Cash and Cash Equivalents on 1 January	4,260,026,071	8,218,465,716
Net Change in Cash and Cash Equivalents	<u><u>(3,696,750,974)</u></u>	<u><u>(3,958,439,645)</u></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 adjusted 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
Annual report and financial statements
For the year ending 31st December 2019

	2019 T.SHS	2018 T.SHS
1 Revenue		
Income from Transport	49,747,695,670	41,979,604,625
Income from Loading / Offloading	4,427,257,350	2,798,647,523
Copper Handling	11,271,200,175	7,447,835,336
ICD Income	11,773,800,249	13,376,050,420
Total Transport & Logistics income	77,219,953,444	65,602,137,904
2 Other gains and losses		
Sale of Assets / Others	-	3,813,559
Sale of Assets / Vehicles	12,711,864	-
Other Income *	-	4,164,782,974
Income from Leasing	192,924,000	184,366,000
Interest Received	100,602,739	380,609,246
Claim Received - Insurance	3,143,771	25,128,458
Gain and Loss on Exchange	(39,918,705)	(478,522,577)
Total Other Income	269,463,670	4,280,177,661
Total revenue	77,489,417,113	69,882,315,565
* Denotes the residual value of compensation received from government against repossessed plot.		
Direct Operating Expenses:		
3 Operating Expenses		
Driver / T boys safari expense	1,378,955,100	1,324,429,700
Drivers Permit & Passes	31,036,000	34,490,000
Forklift/Crane Running Exp.	997,278,767	952,414,664
Hired Transport	39,345,624,647	32,755,252,821
Insurance Motor Vehicles	332,514,179	302,342,309
Motor Vehicle Licence	24,103,119	21,576,800
SUMATRA Fees	79,217,500	80,083,000
Lorry - Running Exp.	2,520,068,600	2,550,095,210
Lorry Fuel	5,797,412,953	5,503,318,938
Port / Handling Charges	0	287,459,042
Road Toll / Way Bridge	2,080,559,175	2,165,384,080
Trailer Running Exp.	1,271,351,150	1,121,656,450
Transit Licence	186,781,094	267,334,739
	54,044,902,284	47,365,837,753
4 Cost of Copper / ICD Handling		
Hired Transport	268,073,500	-
Container Handling & Movement Exp	7,254,010,267	7,580,213,273
Insurance & License	100,626,250	41,956,900
TAZARA Rail Sliding Fees	61,042,000	59,572,142
	7,683,752,017	7,681,742,315
5 Other Cost		
National Housing Corp	19,519,500	11,570,400
Book Value of Assets	11,386,893	-
	30,906,393	11,570,400



	2019 T.SHS	2018 T.SHS
6 Staff Cost		
Salaries & Wages	2,956,417,912	2,591,315,192
NSSF Company's Contribution	304,641,791	271,131,519
Staff Leave Travelling Pay	6,850,000	7,000,000
Staff Terminal Benefit / Severance	29,435,510	14,395,974
	<u>3,297,345,213</u>	<u>2,883,842,685</u>
Other Staff Related Cost		
Staff Medical Reimbursements	36,546,149	113,185,400
Staff Meals & Refreshments	33,766,354	29,395,828
Staff Uniforms	11,826,000	19,569,195
Skill & Development Levy	154,234,899	144,163,969
Staff Bus Running Exp.	121,774,977	108,291,635
Staff Training	46,000,000	5,000,000
Workmen Compensation Fund	30,546,002	27,515,736
	<u>434,694,380</u>	<u>447,121,762</u>
	<u>3,732,039,593</u>	<u>3,330,964,447</u>
7 Administration Expenses:		
Accountancy Fees	10,000,000	10,000,000
Advertisement / Promotion	31,887,000	23,646,000
Business Travelling Exp.	212,998,987	238,846,944
Car/Bike & P/Up Running Exp.	262,374,087	289,584,026
Parking Fees	100,901,894	83,562,732
City Service Levy	232,276,766	197,370,953
Directors Salaries	90,000,000	120,000,000
Directors Fees	120,000,000	96,000,000
Donation A/C	112,307,600	114,654,500
Generator R & M	64,770,826	89,589,994
Insurance Others	125,320,547	221,495,249
Subs / Licence / Fees & Others	292,962,261	255,514,874
Office Equipment Running Exp.	19,982,133	41,332,339
IT Expenses	70,420,281	128,516,711
Repair & Maintenance / Equip etc	174,488,906	185,934,973
Office Gen. Exp.	5,394,000	2,142,542
Paper & Periodical	1,004,000	758,000
Postage / Telephone & Telex	14,338,500	21,776,080
Power / Water & Ewura Charges	21,858,342	19,904,044
Printing & Stationery	38,905,086	51,316,748
Tanker / Tipper / Dump Truck Run. Exp.	184,775,460	150,350,527
W/Shop - Garage - R & M Exp.	5,775,968	14,001,220
	<u>2,192,742,644</u>	<u>2,356,298,457</u>
8 Finance Cost		
Bank Charges & Interest	549,340,950	311,539,588
Legal Fees	10,250,000	9,730,000
	<u>559,590,950</u>	<u>321,269,588</u>

9(a) Vehicles, plant & equipments

TYPE	T.SHS BAL. 01.01.19	T.SHS ADDITIONS	T.SHS DISPOSALS	T.SHS TOTAL	T.SHS DEPRECIATION	T.SHS W.D. VALUE 2019
Horse / Trucks	6,150,786,642	2,119,330,696	(9,523,520)	8,260,593,818	2,063,146,362	6,197,447,456
Trailers	4,077,179,659	2,078,648,159	(1,120,740)	6,154,707,078	1,535,964,943	4,618,742,135
TRACTORS	2,839,660	-	-	2,839,660	529,940	2,309,720
FORK LIFT/Cranes	1,064,374,056	276,870,320	-	1,341,244,376	334,754,485	1,006,489,891
SALOON CARS & PICK UPS	561,353,597	31,154,903	(742,633)	591,765,867	147,351,899	444,413,968
STAFF BUS	42,308,225	-	-	42,308,225	10,381,270	31,926,955
TIPPERS / TANKERS	215,342,211	-	-	215,342,211	53,810,635	161,531,576
MOTOR CYCLES	14,548,234	-	-	14,548,234	3,149,195	11,399,039
BICYCLES	100,105	-	-	100,105	0	100,105
CONTAINER HANDLING TRUCK	94,903,680	-	-	94,903,680	11,862,960	83,040,720
W/SHOP MACHINES / TOOLS & ASS	70,879,638	-	-	70,879,638	8,859,955	62,019,683
OFFICE EQUIPMENT / AC	24,963,351	-	-	24,963,351	3,120,420	21,842,931
IT EQUIP & ACCESSORIES	265,385,061	9,400,000	-	274,785,061	34,348,135	240,436,926
FURNITURE & FITTINGS	735,901,384	1,127,119	-	737,028,503	92,128,565	644,899,938
FIRE FIGHTING EQUIP / HELMETS	26,956,598	-	-	26,956,598	3,369,575	23,587,023
STORAGE TANK/CONTAINERS/PUMP	342,384,942	-	-	342,384,942	42,798,120	299,586,822
WATER EQUIPMENT / WELLS	11,082,763	-	-	11,082,763	1,385,350	9,697,413
TARPAULINS	33,018,305	-	-	33,018,305	4,127,290	28,891,015
GENERATOR / TRANSFORMERS	390,287,623	9,446,178	-	399,733,801	49,966,730	349,767,071
TEL SYSTEM / INT -EXT	25,358,150	-	-	25,358,150	3,169,770	22,188,380
RADIO EQUIP	16,151,627	13,572,056	-	29,723,683	3,715,465	26,008,218
SECURITY EQUIP. / ARMS & AMMU	94,234,353	-	-	94,234,353	11,779,295	82,455,058
CONSTRUCTION EQUIPMENTS	55,264,390	-	-	55,264,390	20,724,150	34,540,240
SCAFFOLDING	14,548,691	-	-	14,548,691	1,818,590	12,730,101
WEIGHT BRIDGE/MCHINE/SCALES	54,102,471	-	-	54,102,471	6,762,810	47,339,661
PRINTING MACHINE	105,449,750	-	-	105,449,750	13,181,220	92,268,530
PASSENGER LIFT	99,889,684	161,000,000	-	260,889,684	32,611,215	228,278,469
MULTI - T - LOCKS	4,083,500	-	-	4,083,500	510,440	3,573,060
TOTAL	14,593,678,348	4,700,549,431	(11,386,893)	19,282,840,886	4,495,328,784	14,787,512,102



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9 (b) Schedule of Properties

	T.SHS Cost	T.SHS Additions / Disposal	T.SHS Accumulated Depreciation B/f	T.SHS Sub Total	T.SHS Current Depreciation	T.SHS NBV 31.12.19
Building 1	385,747,258	-	(133,071,436)	252,675,822	(12,633,791)	240,042,031
Building - TRH HQ	3,576,308,043	-	(1,203,141,283)	2,373,166,760	(118,658,338)	2,254,508,422
Kurasini Copper Yard	8,959,200,779	-	(3,063,809,692)	5,895,391,087	(294,769,554)	5,600,621,532
Kurasini - ICD	7,249,426,823	76,571,009	(2,352,510,516)	4,973,487,316	(248,674,366)	4,724,812,950
Kurasini - ICD_Phase II	22,332,651,831	-	(5,124,744,271)	17,207,907,560	(860,395,378)	16,347,512,182
Work Shop	2,956,856,230	-	(897,776,043)	2,059,080,186	(102,954,009)	1,956,126,177
Mikocheni	236,250,000	-	(71,267,813)	164,982,187	(8,249,109)	156,733,078
Mbeya / Tunduma	321,636,420	-	(82,290,636)	239,345,784	(11,967,289)	227,378,495
Staff House	250,693,340	-	(82,300,702)	168,392,638	(8,419,632)	159,973,006
Plots	466,120,236	932,550,000	0	1,398,670,236	-	1,398,670,236
	46,734,890,959	1,009,121,009	(13,010,912,392)	34,733,099,576	(1,666,721,467)	33,066,378,109

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	2019 T.SHS	2018 T.SHS
10 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.	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>
11 Inventories		
Unutilized Stores		
Stores		
Opening Stock	765,130,469	568,473,457
Purchases	6,175,045,479	4,475,303,987
	<u>6,940,175,948</u>	<u>5,043,777,444</u>
Utilised	(4,579,667,623)	(4,278,646,975)
Closing Stock	<u>2,360,508,325</u>	<u>765,130,469</u>
Fuel & Lubs		
Opening Stock	263,407,677	688,901,172
Purchases	3,375,565,289	4,165,264,725
	<u>3,638,972,967</u>	<u>4,854,165,897</u>
Consumption	(3,387,558,602)	(4,590,758,219)
Closing Stock	<u>251,414,365</u>	<u>263,407,677</u>
Opening/ Closing Stock: Stationery	4,000,000	4,000,000
	<u>2,615,922,689</u>	<u>1,032,538,146</u>
12 Trade & Other Receivables		
Trade debtors	11,225,937,838	3,996,961,319
Prepayments	1,209,180,049	3,270,391,867
Deposits - TICTS	157,500,000	157,500,000
Deposits - Utilities/Others	29,850,563	84,850,563
Staff Medium Term Loan	138,407,922	117,986,929
Other receivables	(4,354,382)	32,044,569
	<u>12,756,521,991</u>	<u>7,659,735,247</u>
13 Cash and Bank Balances		
Cash on Hand	171,628,638	178,931,554
Bank	391,646,458	4,081,094,517
	<u>563,275,096</u>	<u>4,260,026,071</u>



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	2019 T.SHS	2018 T.SHS
14 Equity & Liabilities		
Authorised Share Capital	10,500,000,000	10,500,000,000
10,500,000 Shares of TSh 1,000/= @	<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
Add: Additions	37,527,334,943	36,367,709,064
Retained Earnings	<u>46,527,334,943</u>	<u>45,367,709,064</u>
15 Non-current Liabilities		
Sanfransisco General Trading	-	1,706,597,838
	<u>-</u>	<u>1,706,597,838</u>
16 Trade & other payables		
Trade creditors	2,614,388,758	1,651,255,097
Associated companies	11,058,386,591	13,511,425,015
VAT Payable	(62,388,678)	(596,859,213)
	<u>13,610,386,671</u>	<u>14,565,820,900</u>
17 Bank Overdraft		
Habib African Bank Ltd	<u>6,607,345,332</u>	<u>2,838,896,072</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:

- Personal guarantee of directors
- Registered mortgage of Plot no.18, /mikocheni Light Industrial area.
- Insurance cover.



INCOME TAX COMPUTATION FOR THE YEAR OF INCOME 2019

	2019 T.SHS
Profit as Per Accounts	3,083,432,982
Add: Non-allowable expenses	
Depreciation on Vehicles, Plant & Equipment	4,495,328,784
Depreciation on Buildings	1,666,721,467
Travelling 20%	42,599,797
Donations	112,307,600
Office General	5,394,000
Telephone 20%	2,867,700
	<u>9,408,652,330</u>
Less: Allowable deductions	
Wear and tear allowance	(5,124,332,388)
Adjusted income for the year	<u>4,284,319,942</u>
Corporation Tax 30% on Tshs	<u>1,285,295,983</u>

POSITION OF TAXATION

Corporation Tax as above	1,285,295,983
Add: Provisional Tax Paid during the Year	(1,410,000,000)
Add: Tax withhold during the year	(23,527,874)
Tax Payable / Recoverable	<u>(148,231,892)</u>

DEPRECIATION ALLOWANCE SCHEDULE FOR 2019

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 1.1.2019	85,446,421	11,600,029,929	2,469,098,459	11,839,401,898	25,993,976,708
Sub Total	85,446,421	11,600,029,929	2,469,098,459	11,839,401,898	25,993,976,708
Additions	0	4,506,004,077	194,545,353	76,571,009	4,777,120,440
Sub Total	85,446,421	16,106,034,006	2,663,643,813	11,915,972,907	30,771,097,147
Less Disposal	0	(11,386,893)	0	0	(11,386,893)
Sub Total	85,446,421	16,094,647,114	2,663,643,813	11,915,972,907	30,759,710,255
Depreciation Allowance	32,042,408	4,023,661,778	332,955,477	735,672,725	5,124,332,388
WDV as at 31.12.19	53,404,013	12,070,985,335	2,330,688,336	11,180,300,182	25,635,377,867

