

# **TRANSCARE LOGISTICS LIMITED**

(Registration Number 85975)

**Annual Financial Statements  
for the year ended 31 December 2020**

**Audited Financial Statements**

in compliance with Companies Act 2002

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2020

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The supplementary information presented does not form part of the Financial Statements and is unaudited:

# TRANSCARE LOGISTICS LIMITED

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## General Information

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<b>Country of Incorporation and Domicile</b>	United Republic of Tanzania
<b>Registration Number</b>	85975
<b>Nature of Business and Principal Activities</b>	Transportation
<b>Directors</b>	Salmin Ahmed Mbarak Fahmy Ahmed Mbarak Lutfy Ahmed Mbarak
<b>Shareholders</b>	Salmin Ahmed Mbarak Fahmy Ahmed Mbarak Lutfy Ahmed Mbarak Sabry Ahmed Mbarak Abdallah Ahmed Mbarak Adil Ahmed Mbarak
<b>Registered Office</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es salaam
<b>Business Address</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es salaam
<b>Postal Address</b>	P.O. Box 38383 Dar es salaam
<b>Bankers</b>	ABC Bank (African Banking Corporate)- Quality Centre Branch; Stanbic Bank-Quality centre
<b>Tax Number</b>	115-216-554
<b>Value Added Tax Number</b>	40-016323-H
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 2002.
<b>Certified Public Accountants</b>	Adolph Associates P. O. Box 19080 Dar es salaam
<b>Preparer</b>	Adolph Associates P. O. Box 19080 Dar es salaam

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

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## Directors' Report

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The directors present their report for the year ended 31 December 2020.

### 1. Review of financial results and activities

#### Main business and operations

The company Transportation. There were no major changes herein during the year.

The company generated a profit after tax for the year ended 31 December 2020 of Tzs260,660,514 (2019: Tzs329,107,982).

The company's revenue decreased from Tzs3,623,915,208 in the prior year to Tzs2,717,034,778 for the year ended 31 December 2020.

Company cash flows from operating activities changed from an inflow of Tzs426,143,582 in the prior year to an inflow of Tzs834,403,526 for the year ended 31 December 2020.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during the next 12 months. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company where the need arises. Management is comfortable that the [insert/describe industry], will continue to operate since these services [or goods] fall within the ambit of what is allowed under government regulations during the nation-wide lockdown.

The Board of Directors has considered the going concern assessment as prepared by management, including the company's outlook regarding trading conditions that will persist into the foreseeable future. This assessment is based on a range of varied scenarios (including assumptions regarding a worst-case scenario of a three month lockdown; the rate of return to normal trading; debt service and covenant requirements; working capital requirements; and relief measures implemented by the respective Governments in our various trading jurisdictions), and are satisfied that the company is a going concern for the foreseeable future based on the information available at the time of approval of the Annual Financial Statements.

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## Directors' Report

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The Board of Directors is focused and committed to the restructuring initiatives and debt reduction of company. The directors are also of the view that there are no material uncertainties that cast doubt on the company's ability to operate. The directors are also satisfied that the company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the company will not be a going concern for the foreseeable future.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

#### Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event; however, the National State of Emergency and Lockdown are events, which occurred after the reporting date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non-adjusting event. The impact of COVID-19 on accounting standards that require the use of forward-looking information (expected credit losses and goodwill impairment) was assessed based on information available as at 31 December 2020.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn that could have a prolonged negative impact on an entity's financial results.

Management has considered the potential impacts on the company by taking a number of factors into consideration, including the macro-economic impact as well as the future revenue of the company. Consideration was given to the cost structure of the company and restructuring activities have commenced in order to decrease the cost base. The company forecasts were stress tested. Further detail around the three scenarios management investigated can be found in note 0.

Government intervention appears to be slowing the spread of COVID-19 at different speeds in different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 31 December 2021 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic conditions is uncertain.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

# TRANSCARE LOGISTICS LIMITED

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## Directors' Report

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### 5. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

### 6. Dividend

No dividend was declared or paid to shareholders during the year.

### 7. Directors

The directors of the company during the year and up to the date of this report are as follows:

Salmin Ahmed Mbarak

Fahmy Ahmed Mbarak

Lutfy Ahmed Mbarak

### 8. Secretary

No secretary has been formally appointed during the current financial year.

### 9. Shareholders

There have been no changes in ownership during the current financial year.

The shareholders and their interests at the end of the year are:

	<b>Holding</b>
Salmin Ahmed Mbarak	17.44%
Fahmy Ahmed Mbarak	16.28%
Lutfy Ahmed Mbarak	16.28%
Sabry Ahmed Mbarak	16.28%
Abdallah Ahmed Mbarak	17.44%
Adil Ahmed Mbarak	16.28%

### 10. Independent Auditors

Adolph Associates were the independent auditors for the year under review.

Approved by the directors on 31 May 2020 and signed on its behalf by:



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Salmin Ahmed Mbarak



## Independent Auditor's Report

To the Shareholders of TRANSCARE LOGISTICS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of TRANSCARE LOGISTICS LIMITED set out on pages 9 to 27, which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 2002.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in United Republic of Tanzania, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the company's own accounting policies to satisfy the financial information needs of the company's shareholders. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Head of finance declaration

##### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies Act 2002 of Tanzania we report to you, based on our audit, that:

- proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited, and
- the company's individual accounts are in agreement with the accounting records and returns.



Signed by  
Charles Adolph  
Certified Public Accountant

# TRANSCARE LOGISTICS LIMITED

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## Statement of Comprehensive Income

Figures in Tzs	Notes	2020	2019
Revenue	11	2,717,034,778	3,623,915,208
Cost of sales	12	(1,811,720,601)	(2,471,851,583)
<b>Gross profit</b>		<b>905,314,177</b>	<b>1,152,063,625</b>
Other income	13	46,516,921	170,247,557
Other expenses	15	(550,531,135)	(745,161,151)
<b>Profit from operating activities</b>	14	<b>401,299,963</b>	<b>577,150,031</b>
<b>Profit before tax</b>		<b>401,299,963</b>	<b>577,150,031</b>
Income tax expense	15	(140,639,449)	(248,042,049)
<b>Profit for the year</b>		<b>260,660,514</b>	<b>329,107,982</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number B5975)

Financial Statements for the year ended 31 December 2020

## Statement of Financial Position

Figures in Tzs	Notes	2020	2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	628,352,179	537,245,946
<b>Total non-current assets</b>		<b>628,352,179</b>	<b>537,245,946</b>
<b>Current assets</b>			
Trade and other receivables	5	1,262,919,340	2,029,583,449
Loan to director, manager or employee		45,055,472	40,885,669
Prepayments	7	25,141,250	30,736,750
Cash and cash equivalents	8	564,327,873	29,299,066
<b>Total current assets</b>		<b>1,897,443,935</b>	<b>2,130,504,934</b>
<b>Total assets</b>		<b>2,525,796,114</b>	<b>2,667,750,880</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	9	10,000,000	10,000,000
Retained income		949,946,649	689,286,135
<b>Total equity</b>		<b>959,946,649</b>	<b>699,286,135</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	1,446,110,715	1,719,329,237
Current tax liabilities	6	119,738,750	247,680,593
Bank overdraft	8	-	1,454,915
<b>Total current liabilities</b>		<b>1,565,849,465</b>	<b>1,968,464,745</b>
<b>Total liabilities</b>		<b>1,565,849,465</b>	<b>1,968,464,745</b>
<b>Total equity and liabilities</b>		<b>2,525,796,114</b>	<b>2,667,750,880</b>

Approved by the director on 31 May 2020 and signed on its behalf by:



Salmin Ahmed Mbarak

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Statement of Cash Flows

Figures in Tzs

	Note	2020	2019
<b>Cash flows from operations</b>			
Profit for the year		260,660,514	329,107,982
<b>Adjustments to reconcile profit</b>			
Adjustments for income tax expense		140,639,449	248,042,049
Adjustments for decrease / (increase) in trade accounts receivable		229,508,870	(117,263,523)
Adjustments for decrease / (increase) in prepayments		5,595,500	(1,800,000)
Adjustments for decrease / (increase) in other operating receivables		519,745,090	(858,444,886)
Adjustments for (decrease) / increase in trade accounts payable		(170,928,673)	243,042,593
Adjustments for (decrease) / increase in other operating payables		(102,289,849)	16,954,262
Adjustments for depreciation and amortisation expense		202,643,768	171,327,414
Adjustments for impairment losses and reversal of impairment losses recognised in profit or loss		17,410,149	-
<b>Total adjustments to reconcile profit</b>		<b>842,324,304</b>	<b>(298,142,091)</b>
<b>Net cash flows from operations</b>		<b>1,102,984,818</b>	<b>30,965,891</b>
Income taxes paid		(268,581,292)	(103,841,798)
<b>Net cash flows from / (used in) operating activities</b>		<b>834,403,526</b>	<b>(72,875,907)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment		(293,750,000)	(1,495,000)
Purchase of other financial assets		(4,169,803)	-
<b>Cash flows used in investing activities</b>		<b>(297,919,803)</b>	<b>(1,495,000)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>536,483,723</b>	<b>(74,370,907)</b>
Cash and cash equivalents at beginning of the year		27,844,151	102,215,057
<b>Cash and cash equivalents at end of the year</b>	<b>8</b>	<b>564,327,874</b>	<b>27,844,150</b>

# TRANSCARE LOGISTICS LIMITED

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## Statement of Changes in Equity

Figures in Tzs	Issued capital	Retained income	Total
<b>Balance at 1 January 2019</b>	10,000,000	360,178,153	370,178,153
<b>Changes in equity</b>			
Profit for the year	-	329,107,982	329,107,982
Total comprehensive income	-	329,107,982	329,107,982
<b>Balance at 31 December 2019</b>	<b>10,000,000</b>	<b>689,286,135</b>	<b>699,286,135</b>
<b>Balance at 1 January 2020</b>	10,000,000	689,286,135	699,286,135
<b>Changes in equity</b>			
Profit for the year	-	260,660,514	260,660,514
Total comprehensive income	-	260,660,514	260,660,514
<b>Balance at 31 December 2020</b>	<b>10,000,000</b>	<b>949,946,649</b>	<b>959,946,649</b>

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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### 1. General information

TRANSCARE LOGISTICS LIMITED ('the company') is a transportation company and its principal activities is that of transportation of transit goods.

The company is incorporated as a Limited company and domiciled in United Republic of Tanzania. The address of its registered office is Plot # 87, Rwanda Road, Chang'ombe Industrial Area, Dar es salaam.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of TRANSCARE LOGISTICS LIMITED have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 2002. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in Tanzanian Shilling.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Foreign currency translation

#### 2.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	37.50%
Equipments	12.50%
Fixtures and fittings	12.50%
Motor vehicles	25%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

# TRANSCARE LOGISTICS LIMITED

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Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

## 2.3 Financial instruments

### **Trade and other receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### **Trade and other payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## 2.4 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

## 2.5 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# TRANSCARE LOGISTICS LIMITED

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Financial Statements for the year ended 31 December 2020

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

### 2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'other income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

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Financial Statements for the year ended 31 December 2020

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.7 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

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### 4. Property, plant and equipment

#### 4.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	37.50%
Equipments	12.50%
Fixtures and fittings	12.50%
Motor vehicles	25%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

### Property, plant and equipment continued...

#### 4.2 Balances at year end and movements for the year

	Computers and accessories	Equipments	Fixtures and fittings	Motor vehicles	Trucks and trailers	Total
<b>Reconciliation for the year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>						
At cost	4,296,000	53,958,660	15,857,400	251,590,482	2,688,769,737	3,014,472,279
Accumulated depreciation	(3,970,332)	(18,303,290)	(10,345,353)	(218,007,206)	(2,226,600,152)	(2,477,226,333)
<b>Net book value</b>	<b>325,668</b>	<b>35,655,370</b>	<b>5,512,047</b>	<b>33,583,276</b>	<b>462,169,585</b>	<b>537,245,946</b>
<b>Movements for the year ended 31 December 2020</b>						
Additions other than through business combinations	-	-	-	293,750,000	-	293,750,000
Depreciation	(122,126)	(4,456,921)	(689,006)	(81,833,319)	(115,542,396)	(202,643,768)
<b>Property, plant and equipment at end of year</b>	<b>203,542</b>	<b>31,198,449</b>	<b>4,823,041</b>	<b>245,499,957</b>	<b>346,627,189</b>	<b>628,352,178</b>
<b>Closing balance at 31 December 2020</b>						
At cost	4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
Accumulated depreciation	(4,092,457)	(22,760,211)	(11,034,359)	(299,840,525)	(2,342,142,548)	(2,679,870,100)
<b>Net book value</b>	<b>203,543</b>	<b>31,198,449</b>	<b>4,823,041</b>	<b>245,499,957</b>	<b>346,627,189</b>	<b>628,352,179</b>
<b>Reconciliation for the year ended 31 December 2019</b>						
<b>Balance at 1 January 2019</b>						
At cost	3,921,000	52,838,660	15,857,400	251,590,482	2,688,769,737	3,012,977,279
Accumulated depreciation	(3,774,931)	(13,209,665)	(9,557,918)	(206,812,781)	(2,072,543,623)	(2,305,898,918)
<b>Net book value</b>	<b>146,069</b>	<b>39,628,995</b>	<b>6,299,482</b>	<b>44,777,701</b>	<b>616,226,114</b>	<b>707,078,361</b>

## TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

### Notes to the Financial Statements

Figures in Tzs

#### *Property, plant and equipment continued...*

##### Movements for the year ended 31 December 2019

Additions other than through business combinations	375,000	1,120,000	-	-	-	1,495,000
Depreciation	(195,401)	(5,093,624)	(787,435)	(11,194,425)	(154,056,529)	(171,327,414)
<b>Property, plant and equipment at end of year</b>	<b>325,668</b>	<b>35,655,371</b>	<b>5,512,047</b>	<b>33,583,276</b>	<b>462,169,585</b>	<b>537,245,947</b>
<b>Closing balance at 31 December 2019</b>						
At cost	4,296,000	53,958,660	15,857,400	251,590,482	2,688,769,737	3,014,472,279
Accumulated depreciation	(3,970,332)	(18,303,290)	(10,345,353)	(218,007,206)	(2,226,600,152)	(2,477,226,333)
<b>Net book value</b>	<b>325,668</b>	<b>35,655,370</b>	<b>5,512,047</b>	<b>33,583,276</b>	<b>462,169,585</b>	<b>537,245,946</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

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### 5. Trade and other receivables

#### 5.1 Accounting policies

#### 5.2 Trade and other receivables comprise:

Trade receivables	533,057,986	779,977,005
Unpaid shares	10,000,000	10,000,000
Value added tax	261,043,236	219,046,251
Related party receivables	458,818,118	1,020,560,193
<b>Total trade and other receivables</b>	<b>1,262,919,340</b>	<b>2,029,583,449</b>

#### 5.3 Items included in Trade and other receivables not classified as financial instruments

Value added tax	261,043,236	219,046,251
Total non-financial instruments included in trade and other receivables	261,043,236	219,046,251
Total trade and other receivables excluding non-financial assets included in trade and other receivables	1,001,876,104	1,810,537,198
<b>Total trade and other receivables</b>	<b>1,262,919,340</b>	<b>2,029,583,449</b>

### 6. Current tax liabilities

#### 6.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

#### 6.2 Current tax liabilities comprise the following balances

Net current tax liability from all items being set off	(119,738,750)	(247,680,593)
<b>Total current tax liability per the statement of financial position</b>	<b>(119,738,750)</b>	<b>(247,680,593)</b>

### 7. Prepayments

Prepayments comprise the following balances

Loans and advances	25,141,250	30,736,750
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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

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### 8. Cash and cash equivalents

#### 8.1 Accounting policies

#### 8.2 Cash and cash equivalents comprise:

##### Cash

Cash on hand

3,376,119

11,298,841

Balances with banks

560,951,754

18,000,225

**Total cash**

**564,327,873**

**29,299,066**

**Total cash and cash equivalents included  
in current assets**

**564,327,873**

**29,299,066**

Bank overdrafts

-

(1,454,915)

**Total overdrawn cash and cash  
equivalents included in current liabilities**

**-**

**(1,454,915)**

**Net cash and cash equivalents**

**564,327,873**

**27,844,151**

### 9. Issued capital

#### 9.1 Accounting policies

#### 9.2 Authorised and issued share capital

##### Authorised

100,000 Ordinary shares of Tzs 10,000/-  
each

1,000,000,000

1,000,000,000

100,000 Ordinary shares of Tzs 10,000/-  
each

1,000,000,000

1,000,000,000

### 10. Trade and other payables

#### 10.1 Accounting policies

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

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### *Trade and other payables continued...*

#### 10.2 Trade and other payables comprise:

Trade creditors	1,351,424,591	1,522,353,264
Salaries payable	-	1,546,550
Audit fee payable	10,000,000	31,800,000
NSSF payable	2,250,000	1,730,000
PAYE payable	401,050	54,819,468
SDL payable	414,000	32,829,558
Other payables	168,000	315,000
WCF payable	2,094,236	2,088,236
City service levy payable	79,358,838	71,207,734
Withholding tax payable	-	639,427
<b>Total trade and other payables</b>	<b>1,446,110,715</b>	<b>1,719,329,237</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

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### 11. Revenue

#### 11.1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'other income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

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### *Revenue continued...*

#### 11.2 Revenue comprises:

Sale of goods	<u>2,717,034,778</u>	<u>3,623,915,208</u>
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#### 12. Cost of sales

##### Cost of sales comprise:

Spares and spare parts	170,342,767	225,309,224
Travelling and transport	212,850,000	273,318,775
Road toll	89,798,210	203,564,250
Parking and storage charges	10,000	75,000
Comessa expenses	9,960,000	9,979,000
Weighing charges	-	1,937,000
Tyres and tubes	82,656,309	126,319,494
Insurance	33,849,275	35,504,335
Loading and offloading	2,970,000	7,820,000
Fuel and oil	1,209,284,040	1,588,024,505
<b>Total cost of sales</b>	<b><u>1,811,720,601</u></b>	<b><u>2,471,851,583</u></b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

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### 13. Other income

Other income comprises:

	2020	2019
Other income	46,516,921	170,247,557
Audit fees	10,000,000	10,000,000
Bad debts	17,410,149	-
Bank charges	4,873,571	7,587,090
City service levy	8,151,104	10,836,843
Depreciation	202,643,768	171,327,414
Directors fees	54,528,950	140,773,558
Directors remunerations	24,000,000	-
Donations	37,500,000	12,740,000
Electricity and water	3,876,000	8,135,316
Employment costs	116,152,750	126,420,391
Fines and penalties	-	287,500
Gain/(loss) on exchange	-	(7,633,458)
Leave payments	2,000,000	2,000,000
Legal and professional fees	23,655,228	6,860,000
Licences	23,114,640	24,033,840
Miscellaneous exp	2,458,000	4,960,470
Motor vehicle expense	1,820,000	1,850,000
Overtime charges	140,000	70,000
Postage, telephone and internet	550,000	565,000
Printing and stationery	1,540,700	1,562,192
Safety and security	4,183,220	8,010,000
Tax arrears 2015	10,130,055	209,913,368
Transport charges	1,803,000	4,222,200
Withholding tax expense	-	639,427
<b>Total other expenses</b>	<b>550,531,135</b>	<b>745,161,151</b>

### 14. Profit from operating activities

Profit from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	202,643,768	171,327,414
Employment costs	116,152,750	126,420,391

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

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### 15. Income tax expense

#### 15.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 15.2 Income tax recognised in profit or loss:

##### Current tax

Corporate tax for the year

(140,639,449) (248,042,049)

Total current tax

(140,639,449) (248,042,049)

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2020

## Notes to the Financial Statements

Figures in Tzs

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### 16. Related parties

#### 16.1 Accounting policies

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### 16.2 Other related parties

Entity name	Nature of relationship
Afroil Investment Ltd	Associated Company
Capital Quarries	Associated Company

TRANSCARE LOGISTICS LIMITED  
 (Registration Number 85975)  
 Financial Statements for the year ended 31 December 2020

Notes to the Financial  
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	Class I	Class II	ClassIII	Total
<b>Wear and tear</b>				
Cost	4,296,000	2,940,360,219	69,816,060	3,014,472,279
Claimed to 01.01.2020	(3,970,332)	(2,444,607,358)	(28,648,643)	(2,477,226,333)
<b>W.D.V at 0101.2020</b>	<b>325,668</b>	<b>495,752,861</b>	<b>41,167,417</b>	<b>537,245,946</b>
Additions	-	293,750,000	-	293,750,000
Wear and tear	(122,126)	(197,375,715)	(5,145,927)	(202,643,768)
<b>W.D.V at 31.12.2020</b>	<b>203,542</b>	<b>592,127,146</b>	<b>36,021,490</b>	<b>628,352,178</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2020

## Tax computation

Figures in Tzs

	2020	2019
<b>Profit before tax</b>	<b>401,299,963</b>	<b>577,150,031</b>
Depreciation	202,643,768	171,327,414
Fines and penalties	-	287,500
Donations	37,500,000	7,240,000
Tax arrears 2016-2017	10,130,055	209,913,368
Staff welfare	-	5,500,000
Miscellaneous expenses	2,458,000	4,960,470
Withholding tax		21,755,461
Bad debts	17,410,149	
Wear and tear	(202,643,768)	(171,327,414)
	<u>67,498,204</u>	<u>249,656,799</u>
<b>Taxable income</b>	<b>468,798,167</b>	<b>826,806,830</b>
<b>Normal tax</b>	<b>140,639,450</b>	<b>248,042,049</b>
Provisional tax payments	(149,290,646)	(122,860,431)
Payment on assessment	(119,290,646)	(114,309,241)
Under/(over) provision in 2018		133,327,873
(Debit)/Credit balance brought forward	247,680,593	103,480,342
<b>Total per statement of financial position - (Asset)/Liability</b>	<b>119,738,751</b>	<b>247,680,592</b>

# **TRANSCARE LOGISTICS LIMITED**

(Registration Number 85975)

**Annual Financial Statements**

**for the year ended 31 December 2021**

**Audited Financial Statements**

in compliance with Companies Act 2002

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

## General Information

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<b>Country of Incorporation and Domicile</b>	United Republic of Tanzania
<b>Registration Number</b>	85975
<b>Nature of Business and Principal Activities</b>	Transportation
<b>Directors</b>	Salmin Ahmed Mbarak Fahmy Ahmed Mubarak Lutfy Ahmed Mbarak
<b>Shareholders</b>	Salmin Ahmed Mbarak Fahmy Ahmed Mbarak Lutfy Ahmed Mbarak Sabry Ahmed Mbarak Abdallah Ahmed Mbarak Adil Ahmed Mbarak
<b>Registered Office</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es salaam
<b>Business Address</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es salaam
<b>Postal Address</b>	P.O. Box 38383 Dar es salaam
<b>Bankers</b>	ABC Bank (African Banking Corporate)- Quality Centre Branch, Stanbic Bank-Quality centre
<b>Tax Number</b>	115-216-554
<b>Value Added Tax Number</b>	40-016323-H
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 2002.
<b>Certified Public Accountants</b>	Adolph Associates P. O. Box 19080 Dar es salaam
<b>Preparer</b>	Adolph Associates P. O. Box 19080 Dar es salaam

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

## Directors' Report

---

The directors present their report for the year ended 31 December 2021.

### 1. Review of financial results and activities

#### Main business and operations

The company Transportation. There were no major changes herein during the year.

The company generated a profit after tax for the year ended 31 December 2021 of Tzs52,543,461 (2020: Tzs260,660,514).

The company's revenue decreased from Tzs2,717,034,778 in the prior year to Tzs2,467,609,831 for the year ended 31 December 2021.

Company cash flows from operating activities changed from an inflow of Tzs834,403,527 in the prior year to an outflow of Tzs576,009,655 for the year ended 31 December 2021.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during the next 12 months. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company where the need arises. Management is comfortable that the [Insert/describe industry], will continue to operate since these services [or goods] fall within the ambit of what is allowed under government regulations during the nation-wide lockdown.

The Board of Directors has considered the going concern assessment as prepared by management, including the company's outlook regarding trading conditions that will persist into the foreseeable future. This assessment is based on a range of varied scenarios (including assumptions regarding a worst-case scenario of a three month lockdown; the rate of return to normal trading; debt service and covenant requirements; working capital requirements; and relief measures implemented by the respective Governments in our various trading jurisdictions), and are satisfied that the company is a going concern for the foreseeable future based on the information available at the time of approval of the Annual Financial Statements.

The Board of Directors is focused and committed to the restructuring initiatives and debt reduction of company. The directors are also of the view that there are no material uncertainties that cast doubt on the company's ability to operate. The directors are also satisfied that the company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the company will not be a going concern for the foreseeable future.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

## Directors' Report

---

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

#### Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event; however, the National State of Emergency and Lockdown are events, which occurred after the reporting date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non-adjusting event. The impact of COVID-19 on accounting standards that require the use of forward-looking information (expected credit losses and goodwill impairment) was assessed based on information available as at 31 December 2020.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn that could have a prolonged negative impact on an entity's financial results.

Management has considered the potential impacts on the company by taking a number of factors into consideration, including the macro-economic impact as well as the future revenue of the company. Consideration was given to the cost structure of the company and restructuring activities have commenced in order to decrease the cost base. The company forecasts were stress tested. Further detail around the three scenarios management investigated can be found in note 0.

Government intervention appears to be slowing the spread of COVID-19 at different speeds in different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 31 December 2021 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic conditions is uncertain.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

### 5. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

### 6. Dividend

No dividend was declared or paid to shareholders during the year.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

## Directors' Report

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### 7. Directors

The directors of the company during the year and up to the date of this report are as follows:

Salmin Ahmed Mbarak  
Fahmy Ahmed Mubarak  
Lutfy Ahmed Mbarak

### 8. Secretary

No secretary has been formally appointed during the current financial year.

### 9. Shareholders

There have been no changes in ownership during the current financial year.

The shareholders and their interests at the end of the year are:

	Holding
Salmin Ahmed Mbarak	17.44%
Fahmy Ahmed Mbarak	16.28%
Lutfy Ahmed Mbarak	16.28%
Sabry Ahmed Mbarak	16.28%
Abdallah Ahmed Mbarak	17.44%
Adil Ahmed Mbarak	16.28%

### 10. Independent Auditors

Adolph Associates were the independent auditors for the year under review.

Approved by the directors on 31 May 2020 and signed on its behalf by:



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Salmin Ahmed Mbarak





## Independent Auditor's Report

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To the Shareholders of TRANSCARE LOGISTICS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of TRANSCARE LOGISTICS LIMITED set out on pages 8 to 25, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 2002.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in United Republic of Tanzania, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the company's own accounting policies to satisfy the financial information needs of the company's shareholders. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Declaration of the Head of Finance

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. A declaring person shall be a Certified Public Accountant. However, there is no Declaration of the Head of Finance in this report as TRANSCARE LOGISTICS LIMITED does not have a Certified Public Accountant at the date of this report.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Directors' Responsibility for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies Act 2002 of Tanzania we report to you, based on our audit, that:

- proper accounting records have been kept by the company and proper returns adequate for their audit have been received from branches not visited, and
- the company's individual accounts are in agreement with the accounting records and returns.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Statement of Comprehensive Income

Figures in Tzs

	Notes	2021	2020
Revenue	11	2,467,609,831	2,717,034,778
Cost of sales	12	(1,853,065,016)	(1,808,750,601)
<b>Gross profit</b>		<b>614,544,815</b>	<b>908,284,177</b>
Other income	13	-	46,516,921
Operating expenses	15	(503,549,770)	(553,501,135)
<b>Profit from operating activities</b>	14	<b>110,995,045</b>	<b>401,299,963</b>
<b>Profit before tax</b>		<b>110,995,045</b>	<b>401,299,963</b>
Income tax expense	15	(58,451,584)	(140,639,449)
<b>Profit for the year</b>		<b>52,543,461</b>	<b>260,660,514</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Statement of Financial Position

Figures in Tzs	Notes	2021	2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	475,741,378	628,352,179
<b>Total non-current assets</b>		<b>475,741,378</b>	<b>628,352,179</b>
<b>Current assets</b>			
Trade and other receivables	5	1,752,310,969	1,262,919,340
Current tax assets	6	11,548,417	-
Loan to director, manager or employee		26,695,472	45,055,472
Prepayments	7	29,293,750	25,141,250
Cash and cash equivalents	8	8,732,029	564,327,873
<b>Total current assets</b>		<b>1,828,580,637</b>	<b>1,897,443,935</b>
<b>Total assets</b>		<b>2,304,322,015</b>	<b>2,525,796,114</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	9	10,000,000	10,000,000
Retained income		1,002,490,109	949,946,648
<b>Total equity</b>		<b>1,012,490,109</b>	<b>959,946,648</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	1,289,778,096	1,446,110,716
Current tax liabilities	6	-	119,738,750
Bank overdraft	8	2,053,810	-
<b>Total current liabilities</b>		<b>1,291,831,906</b>	<b>1,565,849,466</b>
<b>Total liabilities</b>		<b>1,291,831,906</b>	<b>1,565,849,466</b>
<b>Total equity and liabilities</b>		<b>2,304,322,015</b>	<b>2,525,796,114</b>

Approved by the directors on 31 May 2020 and signed on its behalf by:



Salmin Ahmed Mbarak



Fahmy Ahmed Mubarak

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Statement of Changes in Equity

Figures in Tzs

	Issued capital	Retained income	Total
<b>Balance at 1 January 2020</b>	10,000,000	689,286,134	699,286,134
<b>Changes in equity</b>			
Profit for the year	-	260,660,514	260,660,514
Total comprehensive income	-	260,660,514	260,660,514
<b>Balance at 31 December 2020</b>	<b>10,000,000</b>	<b>949,946,648</b>	<b>959,946,648</b>
<b>Balance at 1 January 2021</b>	10,000,000	949,946,648	959,946,648
<b>Changes in equity</b>			
Profit for the year	-	52,543,461	52,543,461
Total comprehensive income	-	52,543,461	52,543,461
<b>Balance at 31 December 2021</b>	<b>10,000,000</b>	<b>1,002,490,109</b>	<b>1,012,490,109</b>

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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Statement of Cash Flows

Figures in Tzs

	Note	2021	2020
<b>Cash flows (used in) / from operations</b>			
Profit for the year		52,543,461	260,660,514
<b>Adjustments to reconcile profit</b>			
Adjustments for income tax expense		58,451,584	140,639,449
Adjustments for (increase) / decrease in trade accounts receivable		(437,361,931)	229,508,870
Adjustments for (increase) / decrease in prepayments		(4,152,500)	5,595,500
Adjustments for (increase) / decrease in other operating receivables		(52,029,698)	519,745,090
Adjustments for decrease in trade accounts payable		(164,304,611)	(170,928,672)
Adjustments for increase / (decrease) in other operating payables		7,971,991	(102,289,849)
Adjustments for depreciation and amortisation expense		152,610,800	202,643,768
Adjustments for impairment losses and reversal of impairment losses recognised in profit or loss		-	17,410,149
<b>Total adjustments to reconcile profit</b>		<b>(438,814,365)</b>	<b>842,324,305</b>
<b>Net cash flows (used in) / from operations</b>		<b>(386,270,904)</b>	<b>1,102,984,819</b>
Income taxes paid		(189,738,751)	(268,581,292)
<b>Net cash flows (used in) / from operating activities</b>		<b>(576,009,655)</b>	<b>834,403,527</b>
<b>Cash flows from / (used in) investing activities</b>			
Purchase of property, plant and equipment		-	(293,750,000)
Purchase of other financial assets		18,360,000	(4,169,803)
<b>Cash flows from / (used in) investing activities</b>		<b>18,360,000</b>	<b>(297,919,803)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(557,649,655)</b>	<b>536,483,724</b>
Cash and cash equivalents at beginning of the year		564,327,873	27,844,151
<b>Cash and cash equivalents at end of the year</b>	8	<b>6,678,218</b>	<b>564,327,875</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1. General information

TRANSCARE LOGISTICS LIMITED ('the company') is a transportation company and its principal activities is that of transportation of transit goods.

The company is incorporated as a Limited company and domiciled in United Republic of Tanzania. The address of its registered office is Plot # 87, Rwanda Road, Chang'ombe Industrial Area, Dar es salaam.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of TRANSCARE LOGISTICS LIMITED have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 2002. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in Tanzanian Shilling.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Foreign currency translation

#### 2.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	37.50%
Equipments	12.50%
Fixtures and fittings	12.50%
Motor vehicles	25%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

## 2.3 Financial instruments

### **Trade and other receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### **Trade and other payables**

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## 2.4 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

## 2.5 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## 2.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

---

### *Basis of preparation and summary of significant accounting policies continued...*

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'other income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

---

*Basis of preparation and summary of significant accounting policies continued...*

### 2.7 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

2021

2020

### 4. Property, plant and equipment

#### 4.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	37.50%
Equipments	12.50%
Fixtures and fittings	12.50%
Motor vehicles	25%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

*Property, plant and equipment continued...*

### 4.2 Balances at year end and movements for the year

	Computers and accessories	Equipments	Fixtures and fittings	Motor vehicles	Trucks and trailers	Total
<b>Reconciliation for the year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>						
At cost	4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
Accumulated depreciation	(4,092,457)	(22,760,211)	(11,034,359)	(299,840,525)	(2,342,142,548)	(2,679,870,100)
<b>Net book value</b>	<b>203,543</b>	<b>31,198,449</b>	<b>4,823,041</b>	<b>245,499,957</b>	<b>346,627,189</b>	<b>628,352,179</b>
<b>Movements for the year ended 31 December 2021</b>						
Depreciation	(76,328)	(3,899,806)	(602,880)	(61,374,989)	(86,656,797)	(152,610,800)
<b>Property, plant and equipment at end of year</b>	<b>127,215</b>	<b>27,298,643</b>	<b>4,220,161</b>	<b>184,124,968</b>	<b>259,970,392</b>	<b>475,741,379</b>
<b>Closing balance at 31 December 2021</b>						
At cost	4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
Accumulated depreciation	(4,168,786)	(26,660,017)	(11,637,239)	(361,215,514)	(2,428,799,345)	(2,832,480,901)
<b>Net book value</b>	<b>127,214</b>	<b>27,298,643</b>	<b>4,220,161</b>	<b>184,124,968</b>	<b>259,970,392</b>	<b>475,741,378</b>
<b>Reconciliation for the year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>						
At cost	4,296,000	53,958,660	15,857,400	251,590,482	2,688,769,737	3,014,472,279
Accumulated depreciation	(3,970,332)	(18,303,290)	(10,345,353)	(218,007,206)	(2,226,600,152)	(2,477,226,333)
<b>Net book value</b>	<b>325,668</b>	<b>35,655,370</b>	<b>5,512,047</b>	<b>33,583,276</b>	<b>462,169,585</b>	<b>537,245,946</b>

## TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

Figures in Tzs

#### *Property, plant and equipment continued...*

##### Movements for the year ended 31 December 2020

Additions other than through business combinations

Depreciation

Property, plant and equipment at end of year

-	-	-	293,750,000	-	293,750,000
(122,126)	(4,456,921)	(689,006)	(81,833,319)	(115,542,396)	(202,643,768)
<u>203,542</u>	<u>31,198,449</u>	<u>4,823,041</u>	<u>245,499,957</u>	<u>346,627,189</u>	<u>628,352,178</u>

##### Closing balance at 31 December 2020

At cost

Accumulated depreciation

Net book value

4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
(4,092,457)	(22,760,211)	(11,034,359)	(299,840,525)	(2,342,142,548)	(2,679,870,100)
<u>203,543</u>	<u>31,198,449</u>	<u>4,823,041</u>	<u>245,499,957</u>	<u>346,627,189</u>	<u>628,352,179</u>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

2021

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### 5. Trade and other receivables

#### 5.1 Accounting policies

#### 5.2 Trade and other receivables comprise:

Trade receivables	970,419,917	533,057,986
Unpaid shares	10,000,000	10,000,000
Value added tax	313,072,934	261,043,236
Related party receivables	458,818,118	458,818,118
<b>Total trade and other receivables</b>	<b>1,752,310,969</b>	<b>1,262,919,340</b>

#### 5.3 Items included in Trade and other receivables not classified as financial instruments

Value added tax	313,072,934	261,043,236
Total non-financial instruments included in trade and other receivables	313,072,934	261,043,236
Total trade and other receivables excluding non-financial assets included in trade and other receivables	1,439,238,035	1,001,876,104
<b>Total trade and other receivables</b>	<b>1,752,310,969</b>	<b>1,262,919,340</b>

### 6. Current tax assets and liabilities

#### 6.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

#### 6.2 Current tax assets and liabilities comprise the following balances

Net current tax asset from all items being set off	11,548,417	-
<b>Total current tax asset per the statement of financial position</b>	<b>11,548,417</b>	<b>-</b>
Net current tax liability from all items being set off	-	(119,738,750)
<b>Total current tax liability per the statement of financial position</b>	<b>-</b>	<b>(119,738,750)</b>

### 7. Prepayments

Prepayments comprise the following balances

Loans and advances	29,293,750	25,141,250
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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

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### 8. Cash and cash equivalents

#### 8.1 Accounting policies

#### 8.2 Cash and cash equivalents comprise:

##### Cash

Cash on hand	8,678,674	3,376,119
Balances with banks	53,355	560,951,754
<b>Total cash</b>	<b>8,732,029</b>	<b>564,327,873</b>

<b>Total cash and cash equivalents included in current assets</b>	<b>8,732,029</b>	<b>564,327,873</b>
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Bank overdrafts	(2,053,810)	-
<b>Total overdrawn cash and cash equivalents included in current liabilities</b>	<b>(2,053,810)</b>	<b>-</b>

<b>Net cash and cash equivalents</b>	<b>6,678,219</b>	<b>564,327,873</b>
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### 9. Issued capital

#### 9.1 Accounting policies

#### 9.2 Authorised and issued share capital

##### Authorised

100,000 Ordinary shares of Tzs 10,000/- each	1,000,000,000	1,000,000,000
100,000 Ordinary shares of Tzs 10,000/- each	1,000,000,000	1,000,000,000

### 10. Trade and other payables

#### 10.1 Accounting policies

#### 10.2 Trade and other payables comprise:

Trade creditors	1,187,119,981	1,351,424,592
Salaries payable	314,100	-
Audit fee payable	10,000,000	10,000,000
NSSF payable	2,130,000	2,250,000
PAYE payable	395,600	401,050
SDL payable	390,000	414,000
Other payables	168,000	168,000
WCF payable	2,062,636	2,094,236
City service levy payable	86,927,779	79,358,838
Withholding tax payable	270,000	-
<b>Total trade and other payables</b>	<b>1,289,778,096</b>	<b>1,446,110,716</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

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### 11. Revenue

#### 11.1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'other income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

#### 11.2 Revenue comprises:

Transport income	2,467,609,831	2,717,034,778
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# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

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### 12. Cost of sales

#### Cost of sales comprise:

Spares and spare parts	218,966,130	170,342,767
Travelling and transport	187,580,000	212,850,000
Road toll	140,349,800	89,798,210
Parking and storage charges	-	10,000
Comessa expenses	9,180,000	9,960,000
Weighing charges	825,000	-
Tyres and tubes	84,797,117	82,656,309
Demurrage charges	391,000	-
Insurance	29,915,563	33,849,275
Fuel and oil	1,171,060,406	1,209,284,040
<b>Total cost of sales</b>	<b>1,843,065,016</b>	<b>1,808,750,601</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

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### 13. Other income

Other income comprises:

	2021	2020
Other income	-	46,516,921
Audit fees	555,000	550,000
Bad debts	10,000,000	10,000,000
Bank charges	-	17,410,149
City service levy	6,399,508	4,873,571
Depreciation	7,568,941	8,151,104
Directors fees	152,610,800	202,643,768
Directors remunerations	54,528,950	54,528,950
Donations	24,000,000	24,000,000
Electricity and water	11,850,000	37,500,000
Employment costs	2,867,400	3,876,000
Fines and penalties	115,645,200	116,152,750
Gain/(loss) on exchange	7,229,000	-
Leave payments	3,585,052	-
Legal and professional fees	2,000,000	2,000,000
Licences	-	23,655,228
Miscellaneous exp	16,550,000	23,114,640
Motor vehicle expense	2,933,500	2,458,000
Overtime charges	4,800,000	4,790,000
Printing and stationery	100,000	140,000
Rent	2,414,400	1,540,700
Safety and security	10,000,000	-
Tax arrears 2015	13,016,949	4,183,220
Training expenses	61,831,070	10,130,055
Transport charges	900,000	-
Total other expenses	2,164,000	1,803,000
	<b>513,549,770</b>	<b>553,501,135</b>

### 14. Profit from operating activities

Profit from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	152,610,800	202,643,768
Employment costs	115,645,200	116,152,750

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

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### 15. Income tax expense

#### 15.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 15.2 Income tax recognised in profit or loss:

##### Current tax

Corporate tax for the year

(58,451,584) (140,639,449)

**Total current tax**

**(58,451,584) (140,639,449)**

# TRANSCARE LOGISTICS LIMITED

{Registration Number 85975}

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

Figures in Tzs

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### 16. Related parties

#### 16.1 Accounting policies

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control of the reporting entity;
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions apply:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - Both entities are joint ventures of the same third party;
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - The entity is controlled or jointly controlled by a person identified as a related party;
  - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### 16.2 Other related parties

Entity name	Nature of relationship
Afroil Investment Ltd	Associated Company
Capital Quarries	Associated Company

TRANSCARE LOGISTICS LIMITED  
 (Registration Number 85975)  
 Financial Statements for the year ended 31 December 2021

Notes to the Financial  
 Figures in Tzs

	Class I	Class II	ClassIII	Total
<b>Wear and tear</b>				
Cost	4,296,000	3,234,110,219	69,816,060	3,308,222,279
Claimed to 01.01.2021	(4,092,458)	(2,641,983,073)	(33,794,570)	(2,679,870,101)
<b>W.D.V at 0101.2021</b>	<u>203,543</u>	<u>592,127,146</u>	<u>36,021,490</u>	<u>628,352,178</u>
Additions	-	-	-	-
Wear and tear	(76,328)	(148,031,786)	(4,502,686)	(152,610,801)
<b>W.D.V at 31.12.2021</b>	<u>127,214</u>	<u>444,095,359</u>	<u>31,518,804</u>	<u>475,741,377</u>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2021

## Income Tax Computation

Figures in Tzs	2021	2020
<b>Profit before tax</b>	<b>110,995,045</b>	<b>401,299,963</b>
Depreciation	152,610,800	202,643,768
Fines and penalties	7,229,000	-
Donations	11,850,000	37,500,000
Tax arrears 2016-2017	61,831,070	10,130,055
Miscellaneous expenses	2,933,500	2,458,000
Bad debts	-	17,410,149
Wear and tear	(152,610,801)	(202,643,768)
	<u>83,843,569</u>	<u>67,498,204</u>
<b>Taxable income</b>	<b>194,838,614</b>	<b>468,798,167</b>
<b>Normal tax</b>	<b>58,451,584</b>	<b>140,639,450</b>
Provisional tax payments	(70,000,000)	(149,290,646)
Payment on assessment	-	(119,290,646)
Under/(over) provision in 2020	(119,738,751)	
(Debit)/Credit balance brought forward	119,738,750	247,680,593
<b>Total per statement of financial position - (Asset)/Liability</b>	<b>(11,548,417)</b>	<b>119,738,751</b>

# **TRANSCARE LOGISTICS LIMITED**

**(Registration Number 85975)  
Annual Financial Statements  
for the year ended 31 December 2022**

**Audited Financial Statements**

**in compliance with Companies Act 2004**

# TRANSCARE LOGISTICS LIMITED

{Registration Number: 85975}

Annual Financial Statements for the year ended 31 December 2022

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# TRANSCARE LOGISTICS LIMITED

(Registration Number: 85975)

Annual Financial Statements for the year ended 31 December 2022

## General Information

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<b>Country of Incorporation and Domicile</b>	United Republic of Tanzania
<b>Registration Number</b>	85975
<b>Nature of Business and Principal Activities</b>	Transportation
<b>Directors</b>	Salim Ahmed Mbarak Fatmy Ahmed Mubarak Luffy Ahmed Mbarak
<b>Shareholders</b>	Salim Ahmed Mbarak Fatmy Ahmed Mbarak Luffy Ahmed Mbarak Sabry Ahmed Mbarak Abdallah Ahmed Mbarak Adil Ahmed Mbarak
<b>Registered Office</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es Salaam
<b>Business Address</b>	Plot # 87, Rwanda Road Chang'ombe Industrial Area Dar es Salaam
<b>Postal Address</b>	P.O. Box 38383 Dar es Salaam
<b>Bankers</b>	ABC Bank (African Banking Corporate) Quality Centre Branch; Stanbic Bank-Quality centre
<b>Tax Number</b>	115-216-554
<b>Value Added Tax Number</b>	40-016323-H
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 2002.
<b>Certified Public Accountants</b>	Adolph Associates P. O. Box 19080 Dar es Salaam
<b>Preparer</b>	Adolph Associates P. O. Box 19080 Dar es Salaam

# TRANSCARE LOGISTICS LIMITED

(Registration Number: 85175)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

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The directors present their report for the year ended 31 December 2022.

### 1. Review of financial results and activities

#### Main business and operations

The company Transportation. There were no major changes herein during the year.

The company generated a profit after tax for the year ended 31 December 2022 of Tzs15,977,792 (2021: Tzs52,543,461).

The company's revenue increased from Tzs2,464,220,000 in the prior year to Tzs2,726,508,300 for the year ended 31 December 2022.

Company cash flows from operating activities changed from an outflow of Tzs576,009,656 in the prior year to an inflow of Tzs948,628,964 for the year ended 31 December 2022.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during the next 12 months. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure financing for the ongoing operations for the company where the need arises. Management is comfortable that the [insert/describe industry], will continue to operate since these services [or goods] fall within the ambit of what is allowed under government regulations during the nation-wide lockdown.

The Board of Directors has considered the going concern assessment as prepared by management, including the company's outlook regarding trading conditions that will persist into the foreseeable future. This assessment is based on a range of varied scenarios, including assumptions regarding a worst-case scenario of a three-month lockdown; the rate of return to normal trading; debt service and covenant requirements; working capital requirements; and relief measures implemented by the respective Governments in our various trading jurisdictions, and are satisfied that the company is a going concern for the foreseeable future based on the information available at the time of approval of the Annual Financial Statements.

The Board of Directors is focused and committed to the restructuring initiatives and debt reduction of company. The directors are also of the view that there are no material uncertainties that cast doubt on the company's ability to operate. The directors are also satisfied that the company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the company will not be a going concern for the foreseeable future.

# TRANSCARE LOGISTICS LIMITED

(Registration Number B5075)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

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The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during the next 12 months. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company where the need arises. Management is comfortable that the [insert/describe industry] will continue to operate since these services (or goods) fall within the ambit of what is allowed under government regulations during the nation-wide lockdown.

The Board of Directors has considered the going concern assessment as prepared by management, including the company's outlook regarding trading conditions that will persist into the foreseeable future. This assessment is based on a range of varied scenarios (including assumptions regarding a worst-case scenario of a three month lockdown, the rate of return to normal trading; debt service and covenant requirements; working capital requirements; and relief measures implemented by the respective Governments in our various trading jurisdictions), and are satisfied that the company is a going concern for the foreseeable future based on the information available at the time of approval of the Annual Financial Statements.

The Board of Directors is focused and committed to the restructuring initiatives and debt reduction of company. The directors are also of the view that there are no material uncertainties that cast doubt on the company's ability to operate. The directors are also satisfied that the company has sufficient resources, or access to resources, to continue with all operating activities for the foreseeable future. Based on this assessment, the directors have no reason to believe that the company will not be a going concern for the foreseeable future.

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

#### Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event, however, the National State of Emergency and Lockdown are events, which occurred after the reporting date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non-adjusting event. The impact of COVID-19 on accounting standards that require the use of forward-looking information (expected credit losses and goodwill impairment) was assessed based on information available as at 29 February 2020.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an ever broader economic downturn that could have a prolonged negative impact on an entity's financial results.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85977)

Annual Financial Statements for the year ended 31 December 2020

## Directors' Report

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Management has considered the potential impacts on the company by taking a number of factors into consideration, including the macro-economic impact as well as the future revenue of the company. Consideration was given to the cost structure of the company and restructuring activities have commenced in order to decrease the cost base. The company forecasts were stress tested. Further detail around the three scenarios management investigated can be found in note D.

Government intervention appears to be slowing the spread of COVID-19 at different speeds in different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 28 February 2021 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic conditions is uncertain.

On 11 March 2020, the World Health Organisation ("WHO") declared COVID-19 a pandemic. Since the outbreak of COVID-19, prices of risk assets have fallen sharply. Equity markets have endured declines of 30% or more at the trough and credit spreads have widened, most notably for sub-investment grade covenants. While the extent of the impact of these measures is not yet fully understood, it is clear from data releases over the past month that the economic damage caused will surpass that suffered after the global financial crisis of 2007-2009.

Most economic forecasts made for 2020 (as it relates to real GDP growth, inflation expectations and unemployment rates) before the onset of COVID-19 have been shattered and while it is challenging to accurately estimate the impact of the virus, the need remains urgent. In SA, the SARB forecasts a 6.1% contraction in 2020 compared to the 0.2% contraction expected at the beginning of April. GDP is then expected to grow by 2.2% in 2021 and by 2.7% in 2022. In the UK, growth forecasts have been revised to reflect a 6.5% contraction for 2020. The IMF predicts that the crisis would have a sharp impact on the country's growth but expects a rapid recovery with growth of 4.0% forecast in 2021.

While it is still too early to quantify the full impact, if any, of COVID-19 on our core portfolio, we have evaluated the impact on both SA and the UK on rental collections, lease year-end and tenants' ability to remain operational during this period.

### Impact of COVID-19

COVID-19 existed globally at the reporting date. COVID-19 in itself is not an event, however, the National State of Emergency and Lockdown are events, which occurred after the reporting date as a result of COVID-19. It was concluded that the declaration of COVID-19 as a pandemic is such a non-adjusting event. The impact of COVID-19 on accounting standards that require the use of forward-looking information (expected credit losses and goodwill impairment) was assessed based on information available as at 31 December 2020.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn, including, but not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn that could have a prolonged negative impact on an entity's financial results.

Management has considered the potential impacts on the company by taking a number of factors into consideration, including the macro-economic impact as well as the future revenue of the company. Consideration was given to the cost structure of the company and restructuring activities have commenced in order to decrease the cost base. The company forecasts were stress tested. Further detail around the three scenarios management investigated can be found in note D.

# TRANSCARE LOGISTICS LIMITED

(Registration Number E5975)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

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Government intervention appears to be slowing the spread of COVID-19 at different speeds in different countries. The severity will be influenced by the lockdown period and the easing thereof. It is anticipated that the COVID-19 pandemic may have a substantial impact on revenue countered by material reduction in expenses and therefore the residual impact on profitability for the year ending 31 December 2022 is not expected to be significant. It is, however, not possible to make an accurate estimate of its full financial effect for the year ahead as the virus's infection rate and impact on macro-economic conditions is uncertain.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

### 5. Borrowing limitations

In terms of the Memorandum of Incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate.

### 6. Dividend

No dividend was declared or paid to Shareholders' during the year.

### 7. Directors

The directors of the company during the year and up to the date of this report are as follows:

Salim Ahmed Mbarak  
Fahmy Ahmed Mbarak  
Lutfy Ahmed Mbarak

### 8. Secretary

No secretary has been formally appointed during the current financial year.

### 9. Shareholders

There have been no changes in ownership during the current financial year.

The shareholders and their interests at the end of the year are:

	Holding
Salim Ahmed Mbarak	17.44%
Fahmy Ahmed Mbarak	16.28%
Lutfy Ahmed Mbarak	16.28%
Saary Ahmed Mbarak	16.28%
Abdallah Ahmed Mbarak	17.44%
Adil Ahmed Mbarak	16.28%

### 10. Independent Auditors

Adolph Associates were the independent auditors for the year under review.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Annual Financial Statements for the year ended 31 December 2022

## Directors' Report

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Approved by the directors on 31 May 2023 and signed on its behalf by



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Sa'im Ahmed Muzak



## Adolph Associates

Certified Public Accountants

5th Floor Posta House  
Ghana / Ohio Street  
P.O.Box 19080  
Dar es Salaam, Tanzania

Tel: +255 22 2134909,  
Fax: +255 22 2137390,  
Email: info@adolphassociates.co.tz

### Independent Auditor's Report

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To the Shareholders of **TRANSCARE LOGISTICS LIMITED**

#### Opinion

We have audited the financial statements of TRANSCARE LOGISTICS LIMITED set out on pages 10 to 25, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium sized Entities and the Companies Act 2022.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in United Republic of Tanzania, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the company's own accounting policies to satisfy the financial information needs of the company's shareholders. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Head of finance declaration

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. A declaring person shall be a Certified Public Accountant.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Assurance · Financial Advisory · Tax · Consulting**  
**Partners : Charles Adolph, Manfred Kitendo.**

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#### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2006, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2022

## Statement of Comprehensive Income

Figures in Trs

	Notes	2022	2021
Revenue	10	2,726,508,300	2,464,220,000
Cost of sales	11	(2,153,394,974)	(1,845,995,016)
Other income	12	1,940,000	-
Operating expenses	15	(548,318,194)	(510,619,770)
Profit from operating activities	13	24,735,132	107,605,214
Finance income		-	3,389,833
Profit before tax		24,735,132	110,995,045
Income tax expense	14	(8,757,340)	(58,451,584)
Profit for the year		15,977,792	52,543,461

# TRANSCARE LOGISTICS LIMITED

(Registration Number 65975)

Financial Statements for the year ended 31 December 2022

## Statement of Financial Position

Figures in Tzs

	Notes	2022	2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,009,135,367	475,741,378
<b>Total non-current assets</b>		<b>1,009,135,367</b>	<b>475,741,378</b>
<b>Current assets</b>			
Trade and other receivables	4	1,435,980,140	1,752,310,909
Current tax assets	5	61,242,660	11,548,417
Loan to director, manager or employee		-	26,695,472
Prepayments	6	23,258,750	29,291,750
Cash and cash equivalents	7	122,064,871	8,732,029
<b>Total current assets</b>		<b>1,642,552,421</b>	<b>1,828,580,637</b>
<b>Total assets</b>		<b>2,651,687,788</b>	<b>2,304,322,015</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	8	10,000,000	10,000,000
Retained income		958,154,247	1,007,490,110
<b>Total equity</b>		<b>968,154,247</b>	<b>1,017,490,110</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,679,049,441	1,289,778,095
Bank overdraft	7	4,484,100	1,053,810
<b>Total current liabilities</b>		<b>1,683,533,541</b>	<b>1,291,831,905</b>
<b>Total liabilities</b>		<b>1,683,533,541</b>	<b>1,291,831,905</b>
<b>Total equity and liabilities</b>		<b>2,651,687,788</b>	<b>2,304,322,015</b>

Approved by the directors on 31 May 2023 and signed on its behalf by:



Samir Ahmed M. Barak

Fahmy Ahmed M. Barak

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2022

## Statement of Changes in Equity

Figures in Tsz

	Issued capital	Retained Income	Total
Balance at 1 January 2021	10,000,000	949,946,649	959,946,649
Changes in equity			
Profit for the year	-	52,543,461	52,543,461
Total comprehensive income	-	52,543,461	52,543,461
Balance at 31 December 2021	10,000,000	1,002,490,110	1,012,490,110
Balance at 1 January 2022	10,000,000	1,002,490,110	1,012,490,110
Changes in equity			
Profit for the year	-	15,977,792	15,977,792
Total comprehensive income	-	15,977,792	15,977,792
Tax adjustments	-	(60,313,655)	(60,313,655)
Balance at 31 December 2022	10,000,000	958,154,247	968,154,247

Notes \*

# TRANSCARE LOGISTICS LIMITED

[Registrar Number 85975]

Financial Statements for the year ended 31 December 2022

## Statement of Cash Flows

Figures in Trs

	Note	2022	2021
<b>Cash flows from / (used in) operations</b>			
Profit for the year		15,977,792	52,543,461
<b>Adjustments to reconcile profit</b>			
Adjustments for income tax expense		8,757,340	58,451,584
Adjustments for finance income		-	(3,369,831)
Adjustments for decrease / (increase) in trade accounts receivable		378,216,737	(437,361,991)
Adjustments for decrease / (increase) in prepayments		6,035,000	(4,152,506)
Adjustments for increase in other operating receivables		(61,891,908)	(52,029,698)
Adjustments for increase / (decrease) in trade accounts payable		369,852,617	(164,304,612)
Adjustments for increase in other operating payables		19,413,329	7,071,091
Adjustments for depreciation and amortisation expense		331,027,516	152,610,800
Tax adjustment for 2020-2021		(60,313,656)	-
<b>Total adjustments to reconcile profit</b>		<b>991,102,775</b>	<b>(442,204,197)</b>
<b>Net cash flows from / (used in) operations</b>		<b>1,007,080,567</b>	<b>(389,660,736)</b>
<b>Interest received</b>		-	3,389,831
<b>Income taxes paid</b>		<b>(58,451,583)</b>	<b>(189,738,751)</b>
<b>Net cash flows from / (used in) operating activities</b>		<b>948,628,984</b>	<b>(576,009,656)</b>
<b>Cash flows (used in) / from investing activities</b>			
Purchase of property, plant and equipment		(864,421,905)	-
Purchase of other financial assets		25,695,472	18,360,000
<b>Cash flows (used in) / from investing activities</b>		<b>(837,726,433)</b>	<b>18,360,000</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>110,902,551</b>	<b>(557,649,656)</b>
Cash and cash equivalents at beginning of the year		6,678,217	564,327,873
<b>Cash and cash equivalents at end of the year</b>	7	<b>117,580,770</b>	<b>6,678,217</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 165975)

Financial Statements for the year ended 31 December 2023

## Accounting Policies

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### 1. General information

TRANSCARE LOGISTICS LIMITED ("the company") is a transportation company and its principal activities is that of transportation of transit goods.

The company is incorporated as a Limited company and domiciled in United Republic of Tanzania. The address of its registered office is Plot # R7, Rwanda Road, Chang'ombe Industrial Area, Dar es Salaam.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of TRANSCARE LOGISTICS LIMITED have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act 2022. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, certain property, plant and equipment, biological assets and derivative financial instruments at fair value. They are presented in Tanzanian Shilling.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	37.50%
Equipment	12.50%
Fixtures and fittings	12.50%
Motor vehicles	7%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

# TRANSCARE LOGISTICS LIMITED

(Registration Number 359751)

Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### *Basis of preparation and summary of significant accounting policies continued...*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

## 2.2 Financial instruments

### Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at a amortised cost.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

### Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## 2.3 Prepayments

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

## 2.4 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unutilised tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2022

## Accounting Policies

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*Basis of preparation and summary of significant accounting policies continued...*

### 2.5 Related parties

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85475)

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Trs

2022

2021

### 3. Property, plant and equipment

#### 3.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

The company adds to the carrying amount of an item of property, plant and equipment: the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The estimated useful lives range as follows:

Asset class	Useful life / depreciation rate
Computers and accessories	3 / 50%
Equipments	12.50%
Fixtures and fittings	12.50%
Motor vehicles	25%
Trucks and trailers	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains / (losses)" in the statement of comprehensive income.

# TRANSCARE LOGISTICS LIMITED

(Registration Number: B5975)

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

*Property, plant and equipment continued...*

### 3.2 Balances at year end and movements for the year

	Computers and accessories	Equipments	Fixtures and fittings	Motor vehicles	Trucks and trailers	Total
<b>Reconciliation for the year ended 31 December 2022</b>						
<b>Balance at 1 January 2022</b>						
At cost	4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
Accumulated depreciation	(4,168,786)	(26,650,017)	(11,637,239)	(351,215,514)	(2,428,799,345)	(2,814,480,901)
<b>Net book value</b>	<b>127,214</b>	<b>27,298,643</b>	<b>4,220,161</b>	<b>184,124,968</b>	<b>259,970,392</b>	<b>475,741,378</b>
<b>Movements for the year ended 31 December 2022</b>						
Additions other than through business combinations	-	-	330,000	-	654,091,905	864,421,905
Depreciation	-	(7,412,333)	(568,770)	(46,631,242)	(281,315,574)	(331,027,919)
<b>Property, plant and equipment at end of year</b>	<b>127,214</b>	<b>23,886,313</b>	<b>3,981,391</b>	<b>138,093,726</b>	<b>843,046,723</b>	<b>1,009,135,367</b>
<b>Closing balance at 31 December 2022</b>						
At cost	4,296,000	53,958,660	16,187,400	545,340,482	3,552,861,642	4,172,644,184
Accumulated depreciation	(4,168,786)	(26,072,347)	(12,206,009)	(437,246,756)	(2,709,814,919)	(3,363,508,817)
<b>Net book value</b>	<b>127,214</b>	<b>23,886,313</b>	<b>3,981,391</b>	<b>138,093,726</b>	<b>843,046,723</b>	<b>1,009,135,367</b>
<b>Reconciliation for the year ended 31 December 2021</b>						
<b>Balance at 1 January 2021</b>						
At cost	4,296,000	53,958,660	15,857,400	545,340,482	2,688,769,737	3,308,222,279
Accumulated depreciation	(4,092,457)	(22,760,211)	(11,034,359)	(299,840,525)	(2,342,142,548)	(2,679,870,100)
<b>Net book value</b>	<b>203,543</b>	<b>31,198,449</b>	<b>4,823,041</b>	<b>245,499,957</b>	<b>346,627,189</b>	<b>628,352,179</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85975)

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

*Property, plant and equipment continued...*

Movements for the year ended 31 December 2021

Depreciation	(76,328)	(1,899,806)	(602,880)	(61,374,909)	(86,656,797)	(152,610,800)
Property, plant and equipment at end of year	<u>127,215</u>	<u>27,298,643</u>	<u>4,220,161</u>	<u>184,124,968</u>	<u>259,970,392</u>	<u>475,741,379</u>
<b>Closing balance at 31 December 2021</b>						
At cost	4,236,000	53,958,660	15,357,400	545,340,482	2,688,765,737	3,308,222,279
Accumulated depreciation	(4,158,786)	(26,660,017)	(11,637,239)	(361,215,514)	(2,428,799,345)	(2,832,490,601)
Net book value	<u>127,214</u>	<u>27,298,643</u>	<u>4,220,161</u>	<u>184,124,968</u>	<u>259,970,392</u>	<u>475,741,378</u>

# TRANSCARE LOGISTICS LIMITED

Registration Number 859751

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

2022

2021

### 4. Trade and other receivables

#### 4.1 Accounting policies

#### 4.2 Trade and other receivables comprise:

Trade receivables	592,203,180	670,419,317
Unpaid shares	10,000,000	10,000,000
Value added tax	224,878,132	313,072,934
Related party receivables	606,904,628	458,818,118
<b>Total trade and other receivables</b>	<b>1,435,986,140</b>	<b>1,752,310,969</b>

#### 4.3 Items included in Trade and other receivables not classified as financial instruments

Value added tax	224,878,132	313,072,934
Total non financial instruments included in trade and other receivables	224,878,132	313,072,934
Total trade and other receivables excluding non-financial assets included in trade and other receivables	1,211,108,008	1,439,238,035
<b>Total trade and other receivables</b>	<b>1,435,986,140</b>	<b>1,752,310,969</b>

### 5. Current tax assets

#### 5.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

#### 5.2 Current tax assets comprise the following balances

Net current tax asset from a) items being set off	61,242,660	11,548,417
Total current tax asset per the statement of financial position	61,242,660	11,548,417

### 6. Prepayments

Prepayments comprise the following balances

Loans and advances	23,258,750	20,203,750
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### 7. Cash and cash equivalents

#### 7.1 Accounting policies

# TRANSCARE LOGISTICS LIMITED

(Registration Number 85075)

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

2022

2021

*Cash and cash equivalents continued...*

### 7.2 Cash and cash equivalents comprise:

#### Cash

Cash in hand	4,303,589	8,678,674
Balances with banks	117,761,282	53,355
<b>Total cash</b>	<b>122,064,871</b>	<b>8,732,029</b>
<b>Total cash and cash equivalents included in current assets</b>	<b>122,064,871</b>	<b>8,732,029</b>
Bank overdrafts	(4,484,100)	(2,053,810)
<b>Total overdrawn cash and cash equivalents included in current liabilities</b>	<b>(4,484,100)</b>	<b>(2,053,810)</b>
<b>Net cash and cash equivalents</b>	<b>117,580,771</b>	<b>6,678,219</b>

### 8. Issued capital

#### 8.1 Accounting policies

#### 8.2 Authorised and issued share capital

##### Authorised

100,000 Ordinary shares of Tzs 10,000/- each	1,000,000,000	1,000,000,000
100,000 Ordinary shares of Tzs 10,000/- each	1,000,000,000	1,000,000,000

### 9. Trade and other payables

#### 9.1 Accounting policies

#### 9.2 Trade and other payables comprise:

Trade creditors	1,556,971,997	1,187,119,966
Salaries payable	1,377,500	314,100
Audit fee payable	10,000,000	10,000,000
NSSF payable	2,404,000	2,130,000
PAYC payable	663,800	395,600
SDL payable	444,800	390,000
Other payables	10,000,000	168,000
WCF payable	2,049,484	2,067,636
City service levy payable	35,137,860	85,927,779
Withholding tax on Directors fees payable	-	270,000
<b>Total trade and other payables</b>	<b>1,679,049,441</b>	<b>1,289,778,095</b>

# TRANSCARE LOGISTICS LIMITED

(Registration Number: 86375)

Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

2022

2021

### 10. Revenue

#### 10.1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of comprehensive income on a straight-line basis over the lease term and is included in 'other income'.

Dividend income is recognised when the company's right to receive payment has been established and is shown as 'other income'.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

#### 10.2 Revenue comprises:

Sale of goods	2,725,508,300	2,464,229,000
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# TRANSCARE LOGISTICS LIMITED

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### 11. Cost of sales

Cost of sales comprise:

Spares and spare parts	181,269,825	218,966,130
Travelling and transport	176,455,000	187,580,000
Road toll	181,763,530	140,349,800
Parking and storage charges	476,000	-
Comessa expenses	506,000	9,180,000
Container interchange	29,144,261	22,835,563
Weighing charges	3,000,000	625,000
Tyres and tubes	98,134,936	84,797,117
Demurrage charges	1,402,080	391,000
Insurance	11,028,159	7,080,000
Loading and unloading	6,455,000	2,930,000
Fuel are: nil	1,465,760,084	1,171,060,406
<b>Total cost of sales</b>	<b>2,155,394,974</b>	<b>1,845,995,016</b>

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### 12. Other Income

Other income comprises:

Other income	2022	2021
Other income	1,910,000	-
Audit fees	10,000,000	10,000,000
Bank charges	17,000	6,399,508
City service levy	8,210,081	7,568,941
Depreciation	331,027,916	152,510,800
Directors fees	-	54,528,950
Directors remunerations	24,000,000	24,000,000
Donations	2,100,000	11,850,000
Electricity and water	3,240,000	2,760,000
Employment costs	54,840,000	102,672,000
EWURA/SUMATRA	5,318,400	7,374,400
Fines and penalties	545,000	1,229,000
Gain/(loss) on exchange	-	3,585,052
Leave payments	2,000,000	2,000,000
Licences	22,024,314	9,283,000
Miscellaneous exp	1,511,000	2,933,500
Motor vehicle expense	1,720,000	1,870,000
NSSF expenses	11,894,000	12,180,000
Overtime charges	120,000	100,000
Postage, telephone and internet	505,000	555,000
Printing and stationery	2,212,800	2,414,400
Rent	10,000,000	10,000,000
Safety and security	14,338,983	13,016,940
Staff welfare	300,000	-
Tax arrears 2015	-	(1,931,070)
Training expenses	-	900,000
Transport charges	1,824,000	2,164,000
Workmen compensation fund	509,700	753,200
Total other expenses	<u>546,318,194</u>	<u>510,619,770</u>

### 13. Profit from operating activities

Profit from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	331,027,916	152,610,800
Employment costs	54,840,000	102,672,000

# TRANSCARE LOGISTICS LIMITED

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Financial Statements for the year ended 31 December 2022

## Notes to the Financial Statements

Figures in Tzs

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### 14. Income tax expense

#### 14.1 Accounting policies

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the entity operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the entity. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 14.2 Income tax recognised in profit or loss:

##### Current tax

Corporate tax for the year

(8,757,340) (58,451,584)

Total current tax

(8,757,440) (58,451,584)

### 15. Related parties

#### 15.1 Accounting policies

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

#### 15.2 Other related parties

Entity name	Nature of relationship
Afrail Investment Ltd	Associated Company
Capital Quarries	Associated Company

TRANSCARE LOGISTICS LIMITED  
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 Financial Statements for the year ended 31 December 2022

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	Class I	Class II	Class III	Total
<b>Wear and tear</b>				
Cost	4,236,000	3,234,110,219	69,816,060	3,308,222,279
Claimed to 01/01/2022	(4,168,786)	(2,790,014,659)	(38,297,256)	(2,852,480,901)
W.D.V at 01/01/2022	127,214	444,095,560	31,518,804	475,741,378
Additions	-	864,091,905	730,000	864,421,505
Wear and tear	-	(377,046,816)	(3,981,101)	(331,027,917)
W.D.V at 31/12/2022	127,214	981,140,449	27,867,704	1,009,135,366

# TRANSCARE LOGISTICS LIMITED

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Annual Financial Statements for the year ended 31 December 2022

## Income Tax Computation

Figures in Tzs

	2022	2021
Profit before tax	24,735,132	110,995,045
Depreciation	331,027,917	152,610,800
Fines and penalties	545,000	7,229,000
Donations	2,100,000	11,850,000
Tax arrears 2016-2017		61,831,070
Staff welfare	300,000	-
Miscellaneous expenses	1,511,000	2,933,500
Wear and tear	(331,027,917)	(152,610,800)
	<u>4,456,000</u>	<u>83,843,569</u>
Taxable income	<b>29,191,132</b>	<b>194,838,614</b>
Normal tax	8,757,340	58,451,584
Provisional tax payments	(70,000,000)	(70,000,000)
Under/(over) provision in 2020	11,548,417	(19,738,751)
(Debit)/Credit balance brought forward	(11,548,417)	19,738,750
Total per statement of financial position - (Asset)/Liability	<b>(61,242,660)</b>	<b>[11,548,417]</b>