

SIMBA LOGISTICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021



Certified Public Accountants and Tax Consultants

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Company Information

Board of directors	Names	Nationality
	Mr. Ally Azim Dewji	Tanzanian
	Mr. Hussein Azim Dewji	Tanzanian

Registered office
Plot No 262, Block 00
Nelson Mandela Road,
P.O.Box 19683,
Ilala District
Dar es Salaam
Tanzania.

Principal bankers
Diamond Trust Bank Tanzania Limited
Habib African Bank Limited
NIC Bank Tanzania Limited
NMB Bank Plc Tanzania Limited
Imaan Finance Limited

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

Company secretary
Mr. Ally Azim Dewji
Plot 400, Longido Street,
P O Box 19683
Dar es Salaam
Tanzania.

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31st December 2021 which disclose the state of affairs of the company.

INCORPORATION

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzanian companies Act, 2002. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITY

The principal activity of the company is that of road transportation.

COMPOSITION OF THE BOARD OF DIRECTORS

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

Names	Nationality	Position
Mr. Ally Azim Dewji	Tanzanian	Director
Mr. Hussein Azim Dewji	Tanzanian	Director

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

CORPORATE GOVERNANCE

The Board of Directors consists of two directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring significant investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The board delegates the day to day management of the business to the Managing Director assisted by senior management. Senior Management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting as a medium of communication and coordination between all the various business units.

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

SHARE CAPITAL

The authorised and issued share capital of the company is shown on note 12 of the financial statements. The shareholders of the company with their respective shareholdings is as follows:

Name of the shareholders	No of shares	Shareholding
Mr. Ally Azim Dewji	510	51%
Mr. Hussein Azim Dewji	490	49%
	1000	100%

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2021 T.SHS '000	2020 T.SHS '000
Profit before tax	209,545	238,225
Tax charge	(65,328)	(72,371)
Profit for the year	<u>144,217</u>	<u>165,854</u>

DIVIDEND

The directors do not recommend the declaration of a dividend for the current year (2020: Nil).

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

GOING CONCERN AND SOLVENCY

During the year ended 31st December 2021, the company had net current liabilities amounting to TShs 515,834,000. (2020: TShs 4,620,611,000). The company had also Shareholders deficit amounting to TShs 3,055,621,000. (2020: TShs 3,172,805,000). The shareholders have undertaken to continue to finance the company to meet its financial needs for the foreseeable future. Based on the above, the directors have considered it appropriate to prepare these financial statements on the going concern basis.

RELATED PARTY TRANSACTIONS

Details of balances with related parties are disclosed in note 16 of the financial statements.

EMPLOYEES' WELFARE

Management and employees' relationship

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

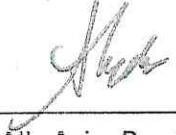
The company is equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

REPORT OF THE DIRECTORS (CONTINUED)

INDEPENDENT PRACTITIONER

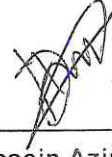
The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year end 31st December 2022 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Mr. Ally Azim Dewji
Director

2022



Mr. Hussein Azim Dewji
Director

2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The financial statements are prepared in accordance with the International Financial Reporting Standard and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

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

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31st December 2021 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Tanzanian Companies Act 2002.

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



.....
Mr. Ally Azim Dewji
Director

.....
Date

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF SIMBA LOGISTICS LIMITED

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors under Directors Responsibility statement on an earlier page.

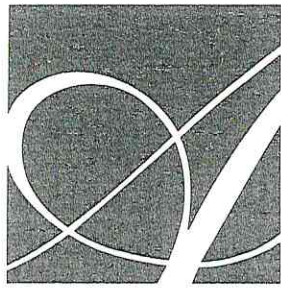
I Zainab.Gangji being the Head of Finance/Accounting of Simba Logistics Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December 2021 have been prepared in compliance with applicable accounting standards and statutory

I thus confirm that the financial statements give a true and fair view position of Simba Logistics Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: External Accountant

NBAA Membership No: ACPA 536



Assad
ASSOCIATES

Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF SIMBA LOGISTICS LIMITED**

Report on the financial statements

We have compiled the accompanying financial statements of Simba Logistics Limited based on information you have provided. These financial statements comprise the statement of financial position of Simba Logistics Limited as at 31st December 2021, the statement of Profit or loss, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

These financial statements and the accuracy, authenticity and completeness of the information used to compile them are director's responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SME's).

We have obtained information and explanation which were necessary for the purpose of our compilation. However where adequate third party documentation were not available, and where accuracy, authenticity and completeness of the accounting records were not obtainable, we have accepted assurances from the management that the Company's transactions have been reflected correctly in the records provided to us.

FOR : ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Signed by *Sajjad Jusab*
FCPA 216

Assad
ASSOCIATES
Certified Public Accountants and Tax Consultants

Date

29/7/22

Place : Dar es Salaam

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

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STATEMENT OF PROFIT OR LOSS

	Notes	2021 T.SHS '000	2020 T.SHS '000
Revenue	1	15,621,847	14,275,482
Direct Cost	2	(11,364,014)	(9,803,777)
Gross profit		<u>4,257,834</u>	<u>4,471,705</u>
Other income	3	35,400	402,537
Administrative expenses	4	(3,270,558)	(3,722,770)
Finance cost	5	<u>(813,131)</u>	<u>(913,247)</u>
Profit before tax		209,545	238,225
Tax charge	6	(65,328)	(72,371)
Profit for the year		<u><u>144,217</u></u>	<u><u>165,854</u></u>

STATEMENT OF FINANCIAL POSITION

	Notes	2021 T.SHS '000	2020 T.SHS '000
ASSETS			
Non-current assets			
Property, plant and equipment	7	6,002,196	7,028,112
Deferred tax	8	163,436	79,168
		<u>6,165,632</u>	<u>7,107,280</u>
Current assets			
Inventories	9	-	22,848
Trade and other receivables	10	5,932,359	1,519,582
Cash and cash equivalents	11	72,372	113,503
		<u>6,004,731</u>	<u>1,655,933</u>
TOTAL ASSETS		<u><u>12,170,363</u></u>	<u><u>8,763,213</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,000	1,000
Retained losses		(3,981,621)	(4,098,805)
Capital reserves		925,000	925,000
		<u>(3,055,621)</u>	<u>(3,172,805)</u>
Non Current liabilities			
Bank Borrowings	13	8,705,419	5,659,474
Current liabilities			
Bank overdraft	14	540,083	2,284,180
Trade and other payables	15	5,955,386	3,963,825
Taxation		25,096	28,539
		<u>6,520,565</u>	<u>6,276,544</u>
TOTAL EQUITY AND LIABILITIES		<u><u>12,170,363</u></u>	<u><u>8,763,213</u></u>



 Mr. Ally Azim Dewji
 Director

2022

STATEMENT OF CHANGES IN EQUITY

	Share Capital T.SHS '000	Retained Losses T.SHS '000	Capital Reserve T.SHS '000	Total T.SHS '000
Year ended 31st December 2021				
At start of year	1,000	(4,098,805)	925,000	(3,172,805)
Prior year taxes and adjustments for the year	-	(27,033)	-	(27,033)
Profit for the year	-	144,217	-	144,217
At end of year	<u>1,000</u>	<u>(3,981,621)</u>	<u>925,000</u>	<u>(3,055,621)</u>
Year ended 31st December 2020				
At start of year	1,000	(4,138,945)	925,000	(3,212,945)
Prior year taxes and adjustments for the year	-	(125,713)	-	(125,713)
Profit for the year	-	165,854	-	165,854
At end of year	<u>1,000</u>	<u>(4,098,805)</u>	<u>925,000</u>	<u>(3,172,805)</u>

STATEMENT OF CASH FLOW

	Notes	2021 T.SHS '000	2020 T.SHS '000
Cash flows from operating activities			
Profit for the year		209,545	238,225
<i>Adjustment for:</i>			
Depreciation	7	1,490,044	1,827,622
Profit before changes in working capital		1,699,588	2,065,847
<i>Changes in working capital</i>			
Inventory		22,848	1,298
Trade and other receivables		(4,412,777)	1,686,784
Trade and other payable		1,991,560	(3,106,232)
<i>Cash (used in)/ generated from operations</i>		(698,781)	647,697
Tax paid for the prior year and Prior year adjustment		(55,572)	(151,226)
Tax paid for the year		(124,500)	(123,000)
Net cash generated from operating activities		(878,853)	373,471
Cash flows from investing activities			
Purchase of property and equipments		(464,127)	(570,141)
Disposal of property and equipments		-	42,423
Net cash (used in) investing activities		(464,127)	(527,719)
Cash flows from financing activities			
(Repayment) from bank overdraft		(1,744,097)	(1,302,357)
Proceeds of bank loan		3,045,946	1,548,498
Net cash generated/(used in) from financing activities		1,301,848	246,142
<i>Net (decrease) increase in cash and cash equivalents</i>		(41,131)	91,894
Cash and cash equivalents at start of year		113,503	21,610
Cash and cash equivalents at end of year	11	72,372	113,503

SIGNIFICANT ACCOUNTING POLICIES

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

1a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium sized Entities, and the requirements of the Companies Act of United Republic of Tanzania. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. These financial statements are presented in Tanzanian Shillings, ('000).

1b) Revenue recognition

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

1c) Taxation

Current tax assets and liabilities

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

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits, limited to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax movement for the current period. The tax currently payable is based on taxable profit for the year.

1d) Translation of foreign currencies

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

At the end of each reporting period:

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

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1e) Property, plant and equipment

Property, plant and equipment are tangible items that:

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

Items of Property, plant & equipment are initially recognised at cost. Costs include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of Profit or loss in the year to which it relates.

Items of Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Items	Rates
Trucks, trailers and Tippers	25%
Motor vehicle	25%
Machinery and equipment	25%
Furniture and fittings	12.5%
Computer	12.5%
Fuel tank	12.5%

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

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

1f) Impairment of asset

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

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

1g) Financial instruments

Initial measurement

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

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

Trade and other payables

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

1h) Cash and cash equivalents

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

1i) Share capital

Ordinary shares are classified as equity.

1j) Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution plans are expensed as they fall due. The company and its employees contribute to National Social Security Fund (NSSF) a statutory defined contribution scheme registered under the NSSF Act.

1k) Provisions and contingencies

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

Contingent assets and contingent liabilities are not recognised.

1l) Inventory-Consumables

Inventory is stated at the lower of cost or net realisable value and their value is determined by the director. The cost of finished goods comprises raw material, direct labour, other direct costs and related production overheads based on normal capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1m) Borrowings

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

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

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

1n) Comparatives

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

2) Key sources of estimation uncertainty

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

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

(i) Property, plant and equipment

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

(ii) Income taxes

Estimates made in determining the income tax expense for transactions for which the ultimate determination of the income tax expense is uncertain in the ordinary course of business.

Simba Logistics Limited
Annual report and financial statements
For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS

	2021 <u>T.SHS '000</u>	2020 <u>T.SHS '000</u>
1 Revenue		
Transport income	<u>15,621,847</u>	<u>14,275,482</u>
2 Direct costs		
Agency fees	81,854	24,405
Bond expenses	119,197	89,928
Border clearing expenses	19,321	-
City council (ZMB)	124,532	38,915
Chemical permit fees	21,240	25,483
Carbon tax Zambia	37,315	36,000
Comesa fees	16,705	74,192
Fuel ,oil & lubricant	4,687,432	3,964,120
Insurance	139,508	140,712
Licence and other fees	353,406	236,908
Loading/offloading charges	220,764	162,810
Lashing /safety Materials	64,588	211,763
Parking fess	52,726	31,849
Tyres, tubes, spares & batteries	922,758	999,556
Transport-Rail and Sub Contract	271,410	209,371
Tracking charges	50,428	-
Road Permit Zambia	88,338	84,038
Repair and maintenance-Vehicle	1,918,986	1,748,189
Road toll boarder	475,108	696,405
Safari allowance expenses	1,273,406	983,457
Sumatra sticker and mapato fees	45,568	45,677
Tarpaulins	375,000	-
Weighbridge charges	4,425	-
	<u>11,364,014</u>	<u>9,803,777</u>
3 Other income		
(Loss)/Gain on disposal of assets	-	(25,873)
Sale of trailers	-	335,187
Foreign exchange gain	-	55,605
Rental income	35,400	16,500
Sale of tyres and others	-	21,118
	<u>35,400</u>	<u>402,537</u>
4 Administrative expenses		
Accountancy fees	5,000	5,000
Advertisement	8,785	738
Bank charges	72,663	348,695
City Services Levy	45,486	44,005
Consultancy and other professional fees	123,009	44,948
Directors fees	72,000	48,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 T.SHS '000	2020 T.SHS '000
4 Administrative expenses, Continued		
Depreciation	1,490,044	1,827,522
Donation	8,215	-
Land rent	10,657	-
Legal, professional and other fees	2,390	13,010
Night watch security	-	14,700
NSSF Contribution	99,919	107,246
Office expenses	76,584	18,075
Osha, Fire Rescue and other fees	17,210	3,119
Printing and Stationery	14,219	13,070
Postage, Telephone, Internet and GPS-GPRS Charges	67,135	83,737
Permit fees	-	3,011
Repair and Maintenance-structures/office	9,035	7,162
Salaries and Wages	999,193	1,072,460
Staff medical and others	6,775	3,249
Staff uniform and welfare	50,690	3,011
Subscription	1,600	-
Skill development levy	40,020	45,642
Training and Recruitment expense	2,700	-
Travelling expenses	25,298	4,555
Transport Charges	-	991
Visa charges	15,192	-
Workmen's Compensation Fund	6,739	10,725
	<u>3,270,558</u>	<u>3,722,770</u>
5 Finance cost		
Bank interest and Facilitation fees	790,326	913,247
Exchange loss	22,805	-
	<u>813,131</u>	<u>913,247</u>
6 Tax expense		
Current tax	149,596	151,539
Deferred tax credit (Note 8)	(84,268)	(79,168)
Tax charge	<u>65,328</u>	<u>72,371</u>
Reconciliation of tax expense		
Profit before tax	<u>209,545</u>	<u>238,225</u>
Tax calculated at a tax rate of 30% (2020: 30%)	62,863	71,467
Tax effect of:		
non-deductible expenses	2,465	903
Deferred tax not recognised	-	-
Tax charge	<u>65,328</u>	<u>72,371</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Property, plant and equipment

Items	Balance as	Additions	(Disposal)/	Total	Depreciation	Balance as
	at 1.1.2021 I.SHS '000	I.SHS '000	Transferred I.SHS '000	I.SHS '000	I.SHS '000	at 31.12.2021 I.SHS '000
Land	1,432,000	-	-	1,432,000	-	1,432,000
Trucks	3,698,387	-	-	3,698,387	924,597	2,773,790
Trailers	1,441,895	-	-	1,441,895	360,474	1,081,421
Motor vehicles	138,212	-	-	138,212	34,553	103,659
Machinery & equipments	119,437	-	-	119,437	29,859	89,578
Computers & accessories	33,876	-	-	33,876	4,235	29,642
Furniture & fittings	159,959	1,949	-	161,908	20,238	141,669
Fuel Tank	4,346	-	-	4,346	543	3,803
Tipppers	-	462,178	-	462,178	115,545	346,634
	7,028,112	464,127	-	7,492,239	1,490,044	6,002,196

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 T.SHS '000	2020 T.SHS '000	
8 Deferred tax			
Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2020: 30%). The movement on the deferred tax account is as follows:			
At start of year			
Deferred tax credit (Note 6)	(79,168)	-	
At end of year	<u>(84,268)</u>	<u>(79,168)</u>	
	<u>(163,436)</u>	<u>(79,168)</u>	
Deferred tax (asset), deferred tax (credit) in the statement of profit or loss are attributable to the following items:			
	At start of year T.SHS '000	Credit to SPL T.SHS '000	At end of year T.SHS '000
Year ended 31 December 2021			
Deferred tax (asset)	(79,168)	(84,268)	(163,436)
Excess depreciation over capital allowances.	<u>(79,168)</u>	<u>(84,268)</u>	<u>(163,436)</u>
Net deferred tax (asset)	<u>(79,168)</u>	<u>(84,268)</u>	<u>(163,436)</u>
9 Inventories			
Tyres, tubes and batteries			21,502
Stationeries			1,346
			<u>22,848</u>
10 Trade and other receivables			
Trade receivables		626,076	787,176
Advances and prepayment		4,672,826	96,600
Other receivables		336,179	22,527
Due from related party (Note 16)		142,532	-
Vat		154,747	613,278
		<u>5,932,359</u>	<u>1,519,582</u>
11 Cash and cash equivalents			
Cash in hand		21	50,470
Cash at bank		72,350	63,034
		<u>72,372</u>	<u>113,503</u>
12 Share capital			
Authorized:			
1,000 (2020: 1,000) ordinary shares of TShs 1,000 each.		1,000	1,000
Issued and fully paid:			
1,000 (2020: 1,000) ordinary shares of TShs 1,000 each.		<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021 T.SHS '000	2020 T.SHS '000
13 Bank borrowings- Loans		
Habib African Bank (Tanzania) Limited	1,574,079	470,361
Imaan Finance Tanzania Limited	246,501	707,507
NIC Bank Tanzania limited	19,444	106,833
National Micro Finance Bank Tanzania Limited	6,865,395	4,331,282
Canara Bank Tanzania Limited	-	43,490
	<u>8,705,419</u>	<u>5,659,474</u>
14 Bank overdraft		
Habib African Bank (Tanzania) Ltd	440,158	2,184,914
NIC Bank Tanzania limited	99,925	99,266
	<u>540,083</u>	<u>2,284,180</u>
15 Trade and other payables		
Trade payables	3,967,985	3,192,460
Other payables	1,594,648	646,165
Due to Related party (Note 16)	302,707	-
Accrued charges	90,046	125,200
	<u>5,955,386</u>	<u>3,963,825</u>
16 Related party balances		
Amount due from related company (Note 10)		
Union Foods Limited Limited	142,532	-
Amount due to related company (Note 15)		
Simba Supply Chain Solutions Limited	302,707	-

17 Going concern

During the year ended 31st December 2021, the company had net current liabilities amounting to TShs 515,834,000. (2020:TShs 4,620,611,000).The company had also Shareholders deficit amounting to TShs 3,055,621,000. (2020: TShs 3,172,805,000). The shareholders have undertaken to continue to finance the company to meets its financial needs for the foreseeable future. Based on the above, the directors have considered it appropriate to prepare these financial statements on the going concern basis.

18 Contingent liability

As at 31 December 2021, the Company had no litigations.

19 Subsequent event

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

20 Capital Commitments

As at 31 December 2021, the Company had no capital expenditure contracted or accrued.

TAX COMPUTATION

	<u>T.SHS '000</u>	<u>2021</u> <u>T.SHS '000</u>
Profit before tax as per accounts		209,545
<u>Add: Non-allowable expenses</u>		
Donation	8,215	
Depreciation	<u>1,490,044</u>	<u>1,498,259</u>
		1,707,804
<u>Less: Allowable deductions</u>		
Wear and tear allowance		<u>(1,209,150)</u>
Taxable income for the year		<u>498,654</u>
Corporation Tax at 30%		149,596
<u>POSITION OF TAXATION</u>		
Corporation Tax as above		149,596
<u>Less: Provisional tax for the year</u>		<u>(124,500)</u>
Tax payable		<u>25,096</u>

WEAR AND TEAR ALLOWANCES SCHEDULE FOR THE YEAR 2021

	CLASS I 37.5% T.SHS '000	CLASS II 25% T.SHS '000	CLASS III 12.5% T.SHS '000	TOTAL T.SHS '000
WDV as at 01.01.2021	565,693	3,566,385	248,619	4,380,697
Adjustments as per TRA	(552,625)	663,150	-	110,525
Adjusted W.D.V as at 01.01.2021***	13,068	4,229,535	248,619	4,491,222
Additions	-	462,178	1,949	464,127
	13,068	4,691,713	250,568	4,955,349
Disposal	-	-	-	-
Total	13,068	4,691,713	250,568	4,955,349
Wear and Tear allowances	(4,901)	(1,172,928)	(31,321)	(1,209,150)
WDV as at 31.12.2021	8,168	3,518,785	219,247	3,746,199

*** Adjustments of written down values of Class I assets and Class II assets have been done by TRA during tax audit of YOI 2020 and the same has been adopted in the computation above, to reflect the correct values.