

SIMBA LOGISTICS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

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CONTENTS	PAGE
Company information	1
Report of the directors	2 - 4
Statement of directors' responsibilities	5
Declaration of the Head of Finance/ Accounting	6
Independent Practitioner's compilation Report	7
Financial statements:	
Statement of Profit or Loss	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Significant accounting policies	12 - 15
Notes to these financial statements	16 - 20
Tax computation	21

Company Information

Board of directors	Names Mr. Ally Azim Dewji Mr. Hussein Azim Dewji	Nationality Tanzanian 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 2022 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.
The company has engaged in business of imports and selling trailers.
The entity also embarked on business of Clearing & forwarding from this year.

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 11 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

	<u>2022</u> <u>T.SHS '000</u>	<u>2021</u> <u>T.SHS '000</u>
Profit before tax	155,394	209,545
Tax charge	<u>(64,059)</u>	<u>(65,328)</u>
Profit for the year	<u><u>91,335</u></u>	<u><u>144,217</u></u>

DIVIDEND

The directors do not recommend the declaration of a dividend for the current year (2021: 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 2022 and is of the opinion that they met the expected criteria.

GOING CONCERN AND SOLVENCY

During the year ended 31st December 2022, the company had net current liabilities amounting to TShs1,724,783,000. (2021:TShs 515,834,000).The company had also Shareholders deficit amounting to TShs 3,052,180,000. (2021: TShs 3,055,621,000). 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.

RELATED PARTY TRANSACTIONS

Details of balances with related parties are disclosed in note 15 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 2022. 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 2023 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD



Mr. Ally Azim Dewji
Director

27-07-

2023



Mr. Hussein Azim Dewji
Director

27/07/23

2023

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 2023 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 2022 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

27-07-2023

.....
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.

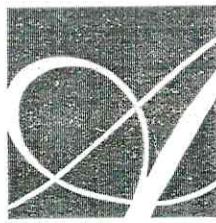
It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory 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, Newton Mathew 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 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: Mathew

Position: NEWTON MATHEW
PROFESSIONAL ACCOUNTANT
NBAA Membership No:
NBAA Reg. No ACPA 2839



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 2022, 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**

 *Assad*
ASSOCIATES
Signed by: *Sajjad Jusab*
FCPA 216
Certified Public Accountant

26/07/2023
Date

Place : Dar es Salaam

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


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STATEMENT OF PROFIT OR LOSS

	Notes	2022 T.SHS '000	2021 T.SHS '000
Revenue	1	22,585,940	15,621,847
Direct Cost	2	(17,767,887)	(11,364,014)
Gross profit		4,818,053	4,257,834
Other income	3	136,709	35,400
Administrative cost	4	(4,046,505)	(3,270,558)
Finance cost	5	(752,862)	(813,131)
Profit before tax		155,394	209,545
Tax charge	6	(64,059)	(65,328)
Profit for the year		91,335	144,217

STATEMENT OF FINANCIAL POSITION

	Notes	2022 T.SHS '000	2021 T.SHS '000
ASSETS			
Non-current assets			
Property, plant and equipment	7	8,697,767	6,002,196
Deferred tax	8	225,799	163,436
		<u>8,923,565</u>	<u>6,165,632</u>
Current assets			
Trade and other receivables	9	7,996,101	5,932,359
Cash and cash equivalents	10	1,035,990	72,372
Taxation		1,078	-
		<u>9,033,169</u>	<u>6,004,731</u>
TOTAL ASSETS		<u><u>17,956,735</u></u>	<u><u>12,170,363</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,000	1,000
Retained losses		(3,978,180)	(3,981,621)
Capital reserves		925,000	925,000
		<u>(3,052,180)</u>	<u>(3,055,621)</u>
Non Current liability			
Bank Borrowings	12	10,250,962	8,705,419
Current liabilities			
Bank overdraft	13	466,621	540,083
Trade and other payables	14	10,291,331	5,955,386
Taxation		-	25,096
		<u>10,757,952</u>	<u>6,520,565</u>
TOTAL EQUITY AND LIABILITIES		<u><u>17,956,735</u></u>	<u><u>12,170,363</u></u>


.....
Mr. Ally Azim Dewji
Director

27-07

2023

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Losses	Capital Reserve	Total
	T.SHS '000	T.SHS '000	T.SHS '000	T.SHS '000
Year ended 31st December 2022				
At start of year	1,000	(3,981,621)	925,000	(3,055,621)
Prior year taxes	-	(87,893)	-	(87,893)
Profit for the year	-	91,335	-	91,335
At end of year	1,000	(3,978,180)	925,000	(3,052,180)
Year ended 31st December 2021				
At start of year	1,000	(4,098,805)	925,000	(3,172,805)
Prior year taxes	-	(27,033)	-	(27,033)
Profit for the year	-	144,217	-	144,217
At end of year	1,000	(3,981,621)	925,000	(3,055,621)

STATEMENT OF CASH FLOW

	Notes	2022 T.SHS '000	2021 T.SHS '000
Cash flows from operating activities			
Profit for the year		155,394	209,545
<i>Adjustment for:</i>			
Depreciation	7	2,393,160	1,490,044
Profit before changes in working capital		2,548,554	1,699,588
<i>Changes in working capital</i>			
Inventory		-	22,848
Trade and other receivables		(2,063,741)	(4,412,777)
Trade and other payable		4,335,946	1,991,560
<i>Cash generated from/(used in) operations</i>		4,820,758	(698,781)
Tax paid for the prior year and Prior year adjustment		(112,989)	(55,572)
Tax paid for the year		(127,500)	(124,500)
Net cash generated from operating activities		4,580,269	(878,853)
Cash flows from investing activities			
Purchase of property and equipments		(5,294,798)	(464,127)
Disposal of property and equipments		206,067	-
Net cash (used in) investing activities		(5,088,731)	(464,127)
Cash flows from financing activities			
(Repayment) from bank overdraft		(73,462)	(1,744,097)
Proceeds of bank loan		1,545,543	3,045,946
Net cash generated from financing activities		1,472,081	1,301,848
<i>Net increase/(decrease) in cash and cash equivalents</i>		963,618	(41,131)
Cash and cash equivalents at start of year		72,372	113,503
Cash and cash equivalents at end of year	10	1,035,990	72,372

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) 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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1l) Borrowings, (Continued)

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.

1m) 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.

NOTES TO THE FINANCIAL STATEMENTS

	2022 <u>T.SHS '000</u>	2021 <u>T.SHS '000</u>
1 Revenue		
Transport income	17,396,819	15,621,847
Sale of trailers	4,712,854	-
Clearing income	360,698	-
Sale of spares and others	115,568	-
	<u>22,585,940</u>	<u>15,621,847</u>
2 Direct costs		
Agency fees	3,570	81,854
Bond expenses	1,715	119,197
Border clearing expenses	-	19,321
City council (ZMB)	128,885	124,532
C 28/C40 Charges	220,018	-
Chemical permit fees	-	21,240
Clearing charges	198,793	-
Carbon tax Zambia	54,166	37,315
Comesa fees	71,337	16,705
Fuel ,oil & lubricant	6,296,565	4,687,432
GCLA charges	11,075	-
Insurance	333,247	139,508
Licence and other fees	253,942	353,406
Loading/offloading charges	236,123	220,764
Lashing /safety Materials	160,559	64,588
Parking fess	58,488	52,726
Purchases of trailers and direct related costs	4,348,646	-
Tyres, tubes, spares, batteries and consumables	1,187,687	922,758
Transport-Rail and Sub Contract	-	271,410
Tracking charges	74,393	50,428
Road Permit Zambia	116,346	88,338
Repair and maintenance-Vehicle	1,701,942	1,918,986
Road toll boarder	591,565	475,108
Safari allowance expenses	1,389,689	1,273,406
Sumatra sticker and mapato fees	15,240	45,568
Tarpaulins	303,001	375,000
Weighbridge charges	10,893	4,425
	<u>17,767,887</u>	<u>11,364,014</u>
3 Other income		
Gain on disposal of assets	18,816	-
Insurance claim	69,856	-
Revenue from repairs service	18,037	-
Rental income	30,000	35,400
	<u>136,709</u>	<u>35,400</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022 T.SHS '000	2021 T.SHS '000
4 Administrative Costs		
Accountancy fees	9,000	5,000
Advertisement	-	8,785
Bank charges	74,400	72,663
City service Levy	69,260	45,486
Consultancy and other professional fees	44,211	123,009
Directors fees	140,000	72,000
Depreciation	2,393,160	1,490,044
Donation	58,137	8,215
EFD Machine	590	-
Land rent	-	10,657
Legal, professional and other fees	18,576	2,390
NSSF Contribution	82,137	99,919
Office expenses	25,307	76,584
Osha, Fire Rescue and other fees	-	17,210
Printing and Stationery	-	14,219
Postage, Telephone, Internet and GPS-GPRS Charges	16,503	67,135
Repair and maintenance-structures/office	135,761	9,035
Salaries and wages	834,493	999,193
Staff medical and others	10,931	6,775
Staff uniform and welfare	-	50,690
Subscription	13,174	1,600
Skill development levy	32,855	40,020
Training and recruitment expense	24,485	2,700
Travelling expenses	17,758	25,298
Vehicle running expense	36,774	-
Visa charges	4,531	15,192
Worker's compensation fund	4,462	6,739
	4,046,505	3,270,558
5 Finance cost		
Bank interest and facilitation fees	539,127	790,326
Exchange loss	213,735	22,805
	752,862	813,131
6 Tax expense		
Current tax	126,422	149,596
Deferred tax credit (Note 8)	(62,363)	(84,268)
Tax charge	64,059	65,328
Reconciliation of tax expense		
Profit before tax	155,394	209,545
Tax calculated at a tax rate of 30% (2021: 30%)	46,618	62,863
Tax effect of: non-deductible expenses	17,441	2,465
Tax charge	64,059	65,328

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Property, plant and equipment

Items	Balance as	Additions	(Disposals)	Total	Depreciation	Balance as
	at 1.1.2022 T.SHS '000	T.SHS '000	T.SHS '000	T.SHS '000	T.SHS '000	at 31.12.2022 T.SHS '000
Land	1,432,000	-	-	1,432,000	-	1,432,000
Trucks	2,773,790	4,920,639	(203,524)	7,490,905	1,872,726	5,618,179
Trailers	1,081,421	190,678	-	1,272,099	318,025	954,074
Motor vehicles	103,659	20,957	-	124,616	31,154	93,462
Machinery & equipments	89,578	162,524	-	252,101	63,025	189,076
Computers & accessories	29,642	-	-	29,642	3,705	25,937
Furniture & fittings	141,669	-	(2,542)	139,127	17,391	121,736
Fuel Tank	3,803	-	-	3,803	475	3,327
Tipppers	346,634	-	-	346,634	86,658	259,975
	6,002,196	5,294,798	(206,067)	11,090,927	2,393,160	8,697,767

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2022 <u>T.SHS '000</u>	2021 <u>T.SHS '000</u>	
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% (2021: 30%). The movement on the deferred tax account is as follows:			
At start of year	(163,436)	(79,168)	
Deferred tax credit (Note 6)	<u>(62,363)</u>	<u>(84,268)</u>	
At end of year	<u>(225,799)</u>	<u>(163,436)</u>	
Deferred tax (asset), deferred tax (credit) in the statement of profit or loss are attributable to the following items:			
	At start of year	Credit to SPL	At end of year
	<u>T.SHS '000</u>	<u>T.SHS '000</u>	<u>T.SHS '000</u>
Year ended 31 December 2022			
Deferred tax (asset)			
Excess depreciation over capital allowances.	<u>(163,436)</u>	<u>(62,363)</u>	<u>(225,799)</u>
Net deferred tax (asset)	<u>(163,436)</u>	<u>(62,363)</u>	<u>(225,799)</u>
	At start of year	Credit to SPL	At end of year
	<u>T.SHS '000</u>	<u>T.SHS '000</u>	<u>T.SHS '000</u>
Year ended 31 December 2021			
Deferred tax (asset)			
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 Trade and other receivables			
Trade receivables	1,994,412		626,076
Advances and prepayment	2,522,142		4,672,826
Other receivables	747,221		336,179
Due from related party (Note 15)	1,291,040		142,532
Vat	1,441,285		154,747
	<u>7,996,101</u>		<u>5,932,359</u>
10 Cash and cash equivalents			
Cash in hand	3,875		21
Cash at bank	1,032,115		72,350
	<u>1,035,990</u>		<u>72,372</u>
11 Share capital			
Authorized:			
1,000 (2021: 1,000) ordinary shares of TShs 1,000 each.	<u>1,000</u>		<u>1,000</u>
Issued and fully paid:			
1,000 (2021: 1,000) ordinary shares of TShs 1,000 each.	<u>1,000</u>		<u>1,000</u>

TAX COMPUTATION

	<u>T.SHS '000</u>	<u>2022</u> <u>T.SHS '000</u>
Profit before tax as per accounts		155,394
<u>Add: Non-allowable expenses</u>		
Donation	58,137	
Depreciation	<u>2,393,160</u>	<u>2,451,298</u>
		2,606,692
<u>Less: Allowable deductions</u>		
Wear and tear allowance		<u>(2,185,285)</u>
Taxable income for the year		<u>421,406</u>
Corporation Tax at 30%		126,422
<u>POSITION OF TAXATION</u>		
Corporation Tax as above		126,422
<u>Less: Provisional tax for the year</u>		<u>(124,500)</u>
<u>Less: Withholding tax</u>		<u>(3,000)</u>
Tax repayable		<u>(1,078)</u>

WEAR AND TEAR ALLOWANCES SCHEDULE FOR THE YEAR 2022

	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 01.01.2022	8,168	3,518,785	219,247	3,746,199
Additions	20,957	5,273,841	-	5,294,798
	29,125	8,792,626	219,247	9,040,997
Disposal	-	(203,524)	(2,542)	(206,067)
Total	29,125	8,589,101	216,705	8,834,930
Wear and Tear allowances	(10,922)	(2,147,275)	(27,088)	(2,185,285)
WDV as at 31.12.2022	18,203	6,441,826	189,617	6,649,645