

SUPERSTAR FORWARDERS COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfield Street,
P.O. Box 7286, Dar Es Salaam*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2019

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 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 policy	12 - 14
Notes to these financial statements	15 - 18
Tax computation	19



SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2019

Company information

Board of directors

Names	Nationality
Mr. Nassor A. Seif	Tanzania
Mr. Seif A. Seif	Tanzania

Registered office

Superstar Forwarders Company Ltd
Plot 14, Nyerere Road
P.O.Box 16541
Dar Es Salaam, Tanzania

Principal bankers

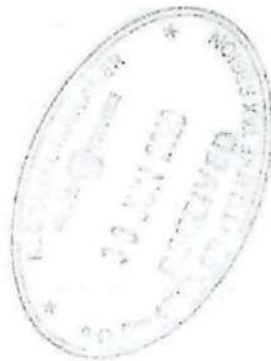
Bank Of Africa Tanzania Ltd
NDC Development House
Kivukoni/Ohio Street
P.O.Box 3054
Dar es Salaam, Tanzania

Citibank Tanzania Ltd
Citibank House
P.O.Box 71625
Dar es Salaam, Tanzania

CRDB Bank Limited
Holland House Branch
P.O.Box 71960
Dar es Salaam, Tanzania

Standard Chartered Bank (T) Ltd
International House Branch,
P.O.Box 9011, Shaaban Robert Street,
Dar Es Salaam, Tanzania.

Lawyer



FK Law Chambers
FK House
P.O.BOX 20787, 23 Ocean Road, Sea View
Dar es Salaam, Tanzania

Independent Practitioner

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

Company Secretary

Miss. Upendo Ngaponda

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 December 2019 which disclose the state of affairs of the company.

INCORPORATION

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares. The Company's registration number is 19842. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company are transportation of commodities, surface to surface logistic solutions and Fuel Storage

DEVELOPMENTS

During the year company invested Tzs 50.3 billion into its fixed assets to acquire large market share in East Africa region. 33 new units of Scania trucks, 30 Semi Trailers Tank, 21 Units Semi Trailer platform and 3 STD fuel Tank

COMPOSITION OF THE BOARD OF DIRECTORS

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

Names	Position
Mr. Nassor A. Seif	Director
Mr. Seif A. Seif	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 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.

Name of the shareholders	No of shares held	Shareholding
Mr. Nassor A. Seif	5,333,334	67%
Mr. Seif A. Seif	2,666,666	33%
	8,000,000	100%



REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2019 T.SHS '000	2018 T.SHS '000
(Loss)/Profit before tax	(2,757,699)	573,920
Tax charge - Current year	-	(172,176)
Profit for the year	<u>(2,757,699)</u>	<u>401,744</u>

RESERVES

Details of movement in the issued share capital and reserve are given in the statement of changes in equity on page 10. As at 31st December 2019 the company had total shareholders' fund of TZS 34.688 billion (2018: TZS 31.930 billion).

DIVIDEND

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

The Board assessed the internal control systems throughout the financial year ended 31 December 2019 and is of the opinion that they met the expected criteria.

SOLVENCY

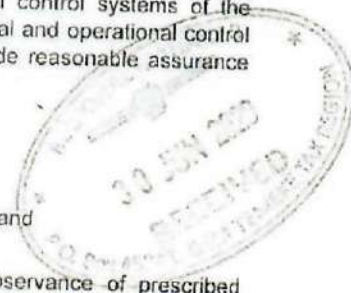
The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Superstar Forwarders Company Limited has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 December 2019. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

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



REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEES' WELFARE (Continued)

Canteen facility

Canteen facilities are available and free meals are provided to its employees and workers. During the year 2019 the company spent TZS 38.129 million for the welfare of the staff (2018: TZS 39.610 million).

Medical Facility

Workers are covered under National Health Insurance Fund and Company is providing 50% premium amount of the Medical Insurance. In the year of 2019 company has spent TZS 37.479 million for staff medical expenses. (2018: TZS 33.401million).

Financial Help

The company provides financial assistance to employees depending on assessment of the need and the current liquidity position of the company. In the year of 2019 company has spent for Staff welfare TZS 13.096 million (2018: TZS 13.770 million).

Training

Training given to staff is either external training and/or internal training. External training is through external courses and internal training is at the in-house training facility and on the job training. The company conducts induction program for new employees. External trainings are reviewed and used when considered appropriate. In the year of 2019 company has spent for Staff Training 30.556 TZS million (2018: TZS 32.130 million).

ENVIRONMENTAL MATTERS

The company complied with standards of Industrial Safety and Environmental Regulations established by various authorities to the best of its knowledge. The company by OSHA for the complies with the Occupational Health and Safety Act.

SOCIAL AND POLITICAL DONATIONS

The Company did not make any political donations during the year.

INDEPENDENT PRACTITIONER

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

BY ORDER OF THE BOARD


Mr. Neil A. Seif
Director

30-06-2020

Date



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 for Small and Medium-Seized entities and that they are free from material misstatement whether due to fraud or error.

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

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

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

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2020 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2019 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 2002.

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


.....
Mr. Seif A. Seif
Director

30-06-2020
.....
Date



*SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2019*

DECLARATION OF THE HEAD OF ACCOUNTING OF SUPERSTAR FORWARDERS CO 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 SALAH KHALID being the Head of Accounting of SUPERSTAR FORWARDERS COMPANY LIMITED hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 Decemeber 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of SUPERSTAR FORWARDERS COMPANY LIMITED as on that date and that they have been prepared based on properly

Signed by: 

Position: ACCOUNTANT

NBAA Membership No: ACPA 3744



SUPERSTAR FORWARDERS COMPANY LTD
Practitioner's Compilation Report
For the year ending 31st December 2019

Report on the financial statements

We have compiled the accompanying financial statements of Superstar Forwarders Company Limited based on information you have provided. These financial statements comprise the statement of financial position of Superstar Forwarders Company Limited as at 31st December 2019, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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


The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard and the requirements of the Tanzanian Companies Act 2002.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with IFRS 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:

30-06-2020
Date

Place : Dar es Salaam

ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANT
P.O. Box 7286
DAR-ES-SALAAM



SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2019

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

	Notes	2019 T.SHS '000	2018 T.SHS '000
Revenue			
	1	14,988,730	16,665,932
Less: Cost of sales			
Gross profit	2	<u>(8,942,780)</u>	<u>(10,713,097)</u>
Other income		6,045,950	5,952,835
Gross income		-	-
		6,045,950	5,952,835
Operating expenses			
Administrative expenses	3	(1,537,827)	(1,449,952)
Payroll and employee costs	4	(208,982)	(218,215)
Depreciation	5	(1,480,434)	(1,319,326)
Finance cost	13	(4,449,384)	(1,736,758)
Profit before tax	6	<u>(1,127,022)</u>	<u>(654,664)</u>
		(2,757,699)	573,920
Less: Tax charge for current year		-	(172,176)
Less: Tax charge for prior year		-	-
Profit for the year		<u>(2,757,699)</u>	<u>401,744</u>




SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019 T.SHS '000	2018 T.SHS '000
ASSETS			
Non-current assets			
Property and equipments	13	63,467,948	17,569,334
Investments In Associates	7	2,000,000	2,000,000
		<u>65,467,948</u>	<u>19,569,334</u>
Current assets			
Inventory	8	101,273	172,500
Taxation		16,200	-
Trade & other receivables	9	911,387	1,083,542
Cash and cash equivalents	10	567,467	71,720
		<u>1,596,327</u>	<u>1,327,763</u>
TOTAL ASSETS		<u><u>67,064,276</u></u>	<u><u>20,897,096</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	8,000,000	8,000,000
Retained earnings		(42,687,905)	(39,930,205)
		<u>(34,687,905)</u>	<u>(31,930,205)</u>
Non current liability			
Loans	14	87,826,720	43,614,617
Current liabilities			
Trade and other payables	12	12,231,483	9,212,685
Bank overdraft	15	1,693,978	-
		<u>13,925,461</u>	<u>9,212,685</u>
TOTAL OF EQUITY AND LIABILITIES		<u><u>67,064,276</u></u>	<u><u>20,897,096</u></u>



.....
 Mr. Seif A. Seif
 Director

 30-06-2020
 Date

SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2019

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

	Share Capital T.SHS '000	Retained Earnings T.SHS '000	Total T.SHS '000
Year ended 31st December 2019			
At start of year	8,000,000	(39,930,205)	(31,930,205)
Total comprehensive income for the year	-	(2,757,699)	(2,757,699)
At end of year	<u>8,000,000</u>	<u>(42,687,905)</u>	<u>(34,687,905)</u>
Year ended 31st December 2018			
At start of year	8,000,000	(40,331,950)	(32,331,950)
Prior year adjustment	-	-	-
Total comprehensive income for the year	-	401,744	401,744
At end of year	<u>8,000,000</u>	<u>(39,930,205)</u>	<u>(31,930,205)</u>



SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 T.SHS '000	2018 T.SHS '000
Cash flows from operating activities			
Profit for the year		(2,757,699)	573,920
<i>Adjustment for:</i>			
Prior year adjustment		-	-
Depreciation	13	4,449,384	1,736,758
Profit before changes in working capital		1,691,685	2,310,678
<i>Changes in working capital</i>			
Inventory		71,227	(73,976)
Trade and other receivables		172,155	(62,215)
Trade and other payable		3,190,974	(172,113)
<i>Cash generated from operations</i>		5,126,041	2,002,374
Tax paid for prior year		(172,176)	(167,255)
Tax paid for current year		(16,200)	-
Net cash (generated from)/used in operating activities		4,937,665	1,835,119
Cash flows from investing activities			
Cash paid for purchase of property & equipments	13	(50,348,000)	(1,269,394)
Cash paid to acquire intangible assets	7	-	-
Net cash used in investing activities		(50,348,000)	(1,269,394)
Cash flows from financing activities			
Bank overdraft		1,693,978	-
Loans		44,212,105	(582,147)
Net cash generated from financing activities		45,906,082	(582,147)
<i>Net decrease in cash and cash equivalents</i>		495,747	(16,422)
Cash and cash equivalents at start of year		71,720	88,143
Cash and cash equivalents at end of year	10	567,468	71,720



SIGNIFICANT ACCOUNTING POLICIES

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

1a) Basis of preparation

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

1b) Revenue recognition

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

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 & equipments

Property & equipments are tangible items that:

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

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

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

Items of property & equipments are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Items	Rates
Motor vehicles	10%
Furniture & Fittings	10%
Machineries	10%
Plant & Machinery	10%
Land and Building	0%

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

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

1f) Impairment of asset

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

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

1g) Financial instruments

Initial measurement

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

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

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.

Cash and cash equivalents are classified as loans and receivables.

1i) Share capital

Ordinary shares are classified as equity.

1j) Provisions and contingencies

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

Contingent assets and contingent liabilities are not recognised.

1k) Comparatives

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

2) Key sources of estimation uncertainty

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

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

(i) Property and equipments

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

(ii) Income taxes

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

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2019

NOTES TO THE FINANCIAL STATEMENTS		2019	2018
		T.SHS '000	T.SHS '000
1 Revenue			
Sale of goods		14,988,730	16,665,932
		<u>14,988,730</u>	<u>16,665,932</u>
2 Cost of sales			
Opening stock		172,500	98,524
Add: Purchases		8,776,543	10,682,078
Driver's Travelling Expenses		95,009	104,995
Cost of goods available for sale		<u>9,044,053</u>	<u>10,885,597</u>
Less: Closing stock		101,273	172,500
Cost of sales		<u>8,942,780</u>	<u>10,713,097</u>
3 Operating expenses			
License and Taxes		285,050	223,532
Insurance for Motor Vehicle -Local		927,077	859,375
Radio and OBC Repairs and Maintenance		90,910	111,407
Repairs and Maintenance -Motor Vehicles		161,512	178,461
Weighbridge Expenses		68,740	72,324
Loading and Unloading Charges		4,538	4,853
		<u>1,537,827</u>	<u>1,449,952</u>
4 Administrative expenses			
Audit and Accountancy Fees		3,000	3,000
Donation and Charities		10,055	14,568
Electricity		28,902	23,902
Sales Promotion		2,592	2,752
Staff Meals		38,129	39,910
Staff Medicals		38,530	39,844
Staff Welfare		13,096	13,770
Training		30,556	32,130
Telephone and Fax		24,675	28,497
Printing and Stationary		17,068	17,392
Water and Sewarage Services		2,379	2,450
		<u>208,982</u>	<u>218,215</u>
5 Payroll and employee costs			
Salaries an Wages		1,249,311	1,113,355
NSSF-Employers Contribution		124,931	111,336
NHIF health insurance		37,479	33,401
Workers Compentation Funds		12,493	11,134
Skills and Development Levy		56,219	50,101
		<u>1,480,434</u>	<u>1,319,326</u>



SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 T.SHS '000	2018 T.SHS '000
6 Finance cost		
Interest expenses	84,451	54,451
Interest expenses - on asset finance and overdraft	1,042,571	600,214
	<u>1,127,022</u>	<u>654,664</u>
7 Investments In Associates	<u>T.SHS '000</u>	<u>T.SHS '000</u>
At the start of the year	2019	2018
Additions	2,000,000	2,000,000
At the end of the year	<u>2,000,000</u>	<u>2,000,000</u>
8 Inventories	<u>T.SHS '000</u>	<u>T.SHS '000</u>
Closing stock	101,273	172,500
	<u>101,273</u>	<u>172,500</u>
9 Trade & other receivables		
Trade debtors	911,387	1,083,542
	<u>911,387</u>	<u>1,083,542</u>
10 Cash and cash equivalents		
Cash in hand	3,404	5,798
Cash at bank	564,063	65,922
	<u>567,467</u>	<u>71,720</u>
11 Share capital		
Authorised:		
10,000,000 (2018: 10,000,000) shares of TShs1000 each	<u>8,000</u>	<u>8,000</u>
Issued and fully paid:		
8,000,000 (2018:10,000,000) shares of TShs1000 each	<u>8,000,000</u>	<u>8,000,000</u>
12 Trade and other payables		
Other payables	98,953	98,033
Trade payables	12,132,530	8,942,476
Income Tax Payable	-	172,176
	<u>12,231,483</u>	<u>9,212,685</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2019 T.SHS '000	2018 T.SHS '000
14 Loans		
CITI Bank Tanzania	33,461,538	-
Bank Of Africa Tanzania Ltd - Asset Financing Facility 33 DPY Series	12,633,536	-
Assets Finance	41,731,646	43,614,617
	<u>87,826,720</u>	<u>43,614,617</u>

(a) Fuel Depot Loan consists of lenders in form of CITI Bank Tanzania and is secured by a mortgage over the properties of the company procured situated at Kurasini fuel depot at Temeke district of Dar es Salaam.

The rate of Interest on each Loan for each interest period is the aggregate of the applicable 182 days Treasury bill rate plus a margin per annum.

The Loan is fully repaid in January 2026.

(b) The Company has procured 33 Units of Scania Trucks and Doll Trailers and grow the business in the region, the assets has been financed by loan from bank of Africa Tanzania Ltd at interest of 7.25% on foreign currency per annum on reducing balance.

The Loan is fully repaid in February 2023.

(c) Assets Finance consists of lenders in the form of Bank of Tanzania Ltd, Standard Chartered Bank Tanzania Ltd and is secured by: a mortgage over the specific properties of the Company, personal guarantee by the directors of the Company.

The loan attracts interest at the following rates. For BOA Bank loan interest rate of 14% per annum. For Standard Chartered bank loan interest rate of 14% per annum.

The Loan is fully repaid in March 2027

15 Bank overdraft

(1,693,978)

(1,693,978)

The following are the overdraft facilities obtained by the Company:

- a) **Bank Of Africa Tanzania Ltd**
 - i) Purpose - To support working capital requirements of the borrower.
 - ii) Interest rate of 14% per annum for Local Currency (Tzs) and 7.25% for Foreign Currency (USD).
 - iii) Facility limit of upto USD 500,000 and Tzs 500,000,000
 - iv) Repayment - Within 12 months from the date of sanction.
 - v) Security - Personal guarantee of the Directors as well as specific debentures of over 74 Trucks and Trailers of Superstar Forwarders Co. Ltd
- b) **CITI Bank Tanzania Limited**
 - i) Purpose - To support working capital requirements of the borrower.
Interest rate of 3.5% above 182 days Government of Tanzania Treasury Bill yield for Local Currency (Tzs) and 3.5% above 3 Month US Dollar Libor for Foreign Currency (USD).
 - ii) Facility limit of upto USD 500,000
 - iii) Facility limit of upto USD 500,000
 - iv) Repayment - Within 12 months from the date of sanction.
 - v) Security - Personal guarantee of the Directors as well as immovable properties of Superstar Forwarders Co. Ltd

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
 For the year ending 31st December 2019

TAX COMPUTATION

	2019 T.SHS '000
Loss before tax as per accounts	(2,757,699)
<u>Add: Non-allowable expenses</u>	
Depreciation	4,449,384
Donation and Charities	10,055
Sub- Total	<u>4,459,439</u>
<u>Less: Allowable deductions</u>	<u>1,701,740</u>
Wear and tear allowance	8,960,591
	(7,258,851)
Add: Loss brought forward year 2018	(135,226)
Adjusted Loss for the year	<u>(7,394,077)</u>
Corporation tax at 30%	-
Less: Provisional tax paid for the year	(16,200)
Tax recoverable	<u>(16,200)</u>

DEPRECIATION ALLOWANCES SCHEDULE FOR THE YEAR 2019

	CLASS I 37.5% T.SHS '000	CLASS II 25.0% T.SHS '000	CLASS III 12.5% T.SHS '000	CLASS VI 5.0% T.SHS '000	TOTAL T.SHS '000
WDV as at 01.01.2019	9,045	7,168,531	7,242	583,217	7,768,035
Additions		15,548,000	25,984,000	-	41,532,000
Disposal	9,045	22,716,531	25,991,242	583,217	49,300,035
	-	-	-	-	-
Wear & Tear allowances	9,045	22,716,531	25,991,242	583,217	49,300,035
	(3,392)	(5,679,133)	(3,248,905)	(29,161)	(8,960,591)
WDV as at 31.12.2019	<u>5,653</u>	<u>17,037,398</u>	<u>22,742,336</u>	<u>554,056</u>	<u>40,339,444</u>



SUPERSTAR FORWARDERS COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020



Assad
ASSOCIATES

Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfield Street,
P.O. Box 7286, Dar Es Salaam
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036*

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020

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 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 policy	12 - 14
Notes to these financial statements	15 - 18
Tax computation	19

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020

Company information

Board of directors	Names	Nationality
	Mr. Nassor A. Seif	Tanzania
	Mr. Seif A. Seif	Tanzania

Registered office
Superstar Forwarders Company Ltd
Plot 14, Nyerere Road
P.O.Box 16541
Dar Es Salaam, Tanzania

Principal bankers
Bank Of Africa Tanzania Ltd
NDC Development House
Kivukoni/Ohio Street
P.O.Box 3054
Dar es Salaam, Tanzania

Citibank Tanzania Ltd
Citibank House
P.O.Box 71625
Dar es Salaam, Tanzania

CRDB Bank Limited
Holland House Branch
P.O.Box 71960
Dar es Salaam, Tanzania

Standard Chartered Bank (T) Ltd
International House Branch,
P.O.Box 9011, Shaaban Robert Street,
Dar Es Salaam, Tanzania.

Lawyer
FK Law Chambers
FK House
P.O.BOX 20787, 23 Ocean Road, Sea View
Dar es Salaam, Tanzania

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

Company Secretary
Upendo Ngaponda

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 December 2020 which disclose the state of affairs of the company.

INCORPORATION

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares. The Company's registration number is 19842. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company are transportation of commodities, surface to surface logistic solutions and Fuel Storage

DEVELOPMENTS

During the year company planned to strengthen business revenue through structured business plan of fuel depot was impacted on account of COVID-19 pandemic

COMPOSITION OF THE BOARD OF DIRECTORS

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

Names	Position
Mr. Nassor A. Seif	Director
Mr. Seif A. Seif	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 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 13 of the financial statements.

Name of the shareholders	No of shares held	Shareholding
Mr. Nassor A. Seif	5,333,334	67%
Mr. Seif A. Seif	2,666,666	33%
	<u>8,000,000</u>	<u>100%</u>

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2020 <u>T.SHS '000</u>	2019 <u>T.SHS '000</u>
Loss before tax	(3,697,601)	(2,757,699)
Tax charge - Current year	-	-
Loss for the year	<u>(3,697,601)</u>	<u>(2,757,699)</u>

RESERVES

Details of movement in the issued share capital and reserve are given in the statement of changes in equity on page 10. As at 31st December 2020 the company had total shareholders' fund of TZS 38.632 billion (2019: TZS 34.688 billion).

DIVIDEND

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

The Board assessed the internal control systems throughout the financial year ended 31 December 2020 and is of the opinion that they met the expected criteria.

SOLVENCY

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Superstar Forwarders Company Limited has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 December 2020. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

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

REPORT OF THE DIRECTORS (CONTINUED)

EMPLOYEES' WELFARE (Continue)

Canteen facility

Canteen facilities are available and free meals are provided to its employees and workers. During the year 2019 the company spent TZS 41.517 million for the welfare of the staff (2019: TZS 38.129 million).

Medical Facility

Workers are covered under National Health Insurance Fund and Company is providing 50% premium amount of the Medical Insurance. In the year of 2020 company has spent TZS 48.741 million for staff medical expenses. (2019: TZS 37.479million).

Financial Help

The company provides financial assistance to employees depending on assessment of the need and the current liquidity position of the company. In the year of 2020 company has spent for Staff welfare TZS 15.977 million (2019: TZS 13.096 million).

Training

Training given to staff is either external training and/or internal training. External training is through external courses and internal training is at the in-house training facility and on the job training. The company conducts induction program for new employees. External trainings are reviewed and used when considered appropriate. In the year of 2020 company has spent for Staff Training 32.270 TZS million (2019: TZS 30.556 million).

ENVIRONMENTAL MATTERS

The company complied with standards of Industrial Safety and Environmental Regulations established by various authorities to the best of its knowledge. The company by OSHA for the complies with the Occupational Health and Safety Act.

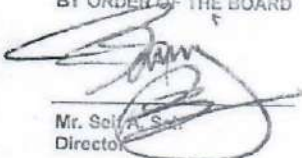
SOCIAL AND POLITICAL DONATIONS

The Company did not make any political donations during the year.

INDEPENDENT PRACTITIONER

The company's independent practitioner, Assad Associates have expressed their willingness to continue in office in accordance with Section 170 of the Companies Act 2002 and are eligible for re-appointment. A resolution proposing the re-appointment for the year ended 31 December 2021 will be put in the Annual General Meeting.

BY ORDER OF THE BOARD


Mr. Selim S. S.
Director

31-07-2021

Date

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 for Small and Medium-Sized entities and that they are free from material misstatement whether due to fraud or error.

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

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

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

The directors have reviewed the company's cashflow forecast for the year ended 31 December 2021 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2020 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 2002.

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


.....
Mr. Seif A. Seif
Director

31-07-2021
.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF SUPERSTAR FORWARDERS CO 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 SALAH KHALID being the Head of Accounting of SUPERSTAR FORWARDERS COMPANY LIMITED hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of SUPERSTAR FORWARDERS COMPANY LIMITED as on that date and that they have been prepared based on properly

Signed by: 

Position: ACCOUNTANT

NBAA Membership No: ACPA 3744

*SUPERSTAR FORWARDERS COMPANY LTD
Practitioner's Compilation Report
For the year ending 31st December 2020*

Report on the financial statements

We have compiled the accompanying financial statements of Superstar Forwarders Company Limited based on information you have provided. These financial statements comprise the statement of financial position as at 31st December 2020, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard and the requirements of the Tanzanian Companies Act 2002.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with IFRS 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

ASSAD ASSOCIATES
Certified Public Accountants and Tax Consultants

31-07-2021
Date

Place : Dar es Salaam

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020


STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 T.SHS '000	2019 T.SHS '000
Revenue	1	22,709,368	14,988,730
Less: Cost of sales	2	(14,512,677)	(8,942,780)
Gross profit		8,196,691	6,045,950
Operating expenses	3	(1,672,919)	(1,537,827)
Administrative expenses	4	(295,085)	(208,982)
Payroll and employee costs	5	(1,885,763)	(1,480,434)
Depreciation	6	(5,397,883)	(4,449,384)
Finance cost	7	(2,642,642)	(1,127,022)
Loss before tax		(3,697,601)	(2,757,699)
<u>Less: Tax charge for current year</u>		-	-
Loss for the year		(3,697,601)	(2,757,699)

SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	2020 T.SHS '000	2019 T.SHS '000
ASSETS			
Non-current assets			
Property and equipments	6	58,175,066	63,467,948
Investments In Associates	8	2,000,000	2,000,000
		<u>60,175,066</u>	<u>65,467,948</u>
Current assets			
Inventory	9	107,992	101,273
Taxation	10	52,200	16,200
Trade & other receivables	11	1,018,298	911,387
Cash and cash equivalents	12	1,422,101	567,467
		<u>2,600,591</u>	<u>1,596,327</u>
TOTAL ASSETS		<u><u>62,775,657</u></u>	<u><u>67,064,276</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	8,000,000	8,000,000
Retained Losses		(46,631,562)	(42,687,905)
		<u>(38,631,562)</u>	<u>(34,687,905)</u>
Non current liability			
Loans	14	79,278,901	87,826,720
Current liabilities			
Trade and other payables	15	20,200,732	12,231,483
Bank overdraft	16	1,927,586	1,693,978
		<u>22,128,318</u>	<u>13,925,461</u>
TOTAL OF EQUITY AND LIABILITIES		<u><u>62,775,657</u></u>	<u><u>67,064,276</u></u>


 Mr. Sam A. Seif
 Director

31-07-2021
 Date

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital <u>T.SHS '000</u>	Retained Earnings <u>T.SHS '000</u>	Total <u>T.SHS '000</u>
Year ended 31st December 2020			
At start of year	8,000,000	(42,687,905)	(34,687,905)
Tax charge for prior year	-	(246,056)	(246,056)
Total comprehensive loss for the year	-	(3,697,601)	(3,697,601)
At end of year	<u>8,000,000</u>	<u>(46,631,562)</u>	<u>(38,631,562)</u>
Year ended 31st December 2019			
At start of year	8,000,000	(39,930,205)	(31,930,205)
Total comprehensive loss for the year	-	(2,757,699)	(2,757,699)
At end of year	<u>8,000,000</u>	<u>(42,687,905)</u>	<u>(34,687,905)</u>

SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 T.SHS '000	2019 T.SHS '000
Cash flows from operating activities			
Loss for the year		(3,697,601)	(2,757,699)
<i>Adjustment for:</i>			
Depreciation	6	5,397,883	4,449,384
Profit before changes in working capital		1,700,282	1,691,685
<i>Changes in working capital</i>			
Inventory		(6,719)	71,227
Trade and other receivables		(106,910)	172,155
Trade and other payable		7,969,249	3,190,974
<i>Cash generated from operations</i>		9,555,901	5,126,041
Tax paid for prior year		(246,056)	(172,176)
Tax paid for current year	10	(36,000)	(16,200)
Net cash generated from operating activities		9,273,845	4,937,665
<i>Cash flows from investing activities</i>			
Cash paid for purchase of property & equipments	6	(105,000)	(50,348,000)
Net cash used in investing activities		(105,000)	(50,348,000)
<i>Cash flows from financing activities</i>			
Bank overdraft		233,609	1,693,978
Loans		(8,547,819)	44,212,105
Net cash (used)/generated from financing activities		(8,314,210)	45,906,082
<i>Net increase in cash and cash equivalents</i>		854,634	495,747
Cash and cash equivalents at start of year		567,468	71,720
Cash and cash equivalents at end of year	12	1,422,101	567,468

SIGNIFICANT ACCOUNTING POLICIES

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

1a) Basis of preparation

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

1b) Revenue recognition

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

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

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 & equipments

Property & equipments are tangible items that:

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

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

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

Items of property & equipments are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Items	Rates
Motor vehicles	10%
Furniture & Fittings	10%
Machineries	10%
Plant & Machinery	10%
Land and Building	0%

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

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

1f) Impairment of asset

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

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

1g) Financial instruments

Initial measurement

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

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.

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

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.

Cash and cash equivalents are classified as loans and receivables.

1i) Share capital

Ordinary shares are classified as equity.

1j) Provisions and contingencies

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

Contingent assets and contingent liabilities are not recognised.

1k) Comparatives

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

2) Key sources of estimation uncertainty

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

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

(i) Property and equipments

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

(ii) Income taxes

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

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020

NOTES TO THE FINANCIAL STATEMENTS		2020	2019
		T.SHS '000	T.SHS '000
1 Revenue			
Sale of goods		22,709,368	14,988,730
		<u>22,709,368</u>	<u>14,988,730</u>
2 Cost of sales			
Opening stock		101,273	172,500
Add: Purchases		14,402,167	8,776,543
Driver's Travelling Expenses		117,229	95,009
Cost of goods available for sale		<u>14,620,669</u>	<u>9,044,053</u>
Less: Closing stock		107,992	101,273
Cost of sales		<u>14,512,677</u>	<u>8,942,780</u>
3 Operating expenses			
License and Taxes		313,840	285,050
Insurance for Motor Vehicle -Local		1,001,611	927,077
Radio and OBC Repairs and Maintenance		104,737	90,910
Repairs and Maintenance -Motor Vehicles		174,706	161,512
Weighbridge Expenses		72,148	68,740
Loading and Unloading Charges		5,876	4,538
		<u>1,672,919</u>	<u>1,537,827</u>
4 Administrative expenses			
Audit and Accountancy Fees		5,000	3,000
Donation and Charities		11,779	10,055
Electricity		31,789	28,902
Sales Promotion		3,927	2,592
Staff Meals		41,517	38,129
Staff Medicals		43,006	38,530
Staff Welfare		15,977	13,096
Training		32,270	30,556
Telephone and Fax		27,386	24,675
Printing and Stationary		22,860	17,068
Water and Sewarage Services		3,605	2,379
Interest on Tax		51,229	-
Penalty on Tax		4,740	-
		<u>295,035</u>	<u>208,982</u>
5 Payroll and employee costs			
Salaries an Wages		1,593,873	1,249,311
NSSF-Employers Contribution		159,387	124,931
NHIF health insurance		48,741	37,479
Workers Compentation Funds		15,939	12,493
Skills and Development Levy		67,823	56,219
		<u>1,885,703</u>	<u>1,400,434</u>

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
 For the year ending 31st December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Property & equipments

	Land & Buildings TZS '000	Plant & Machinery TZS '000	Furniture & fittings TZS '000	Machineries TZS '000	Motor vehicles TZS '000	Total TZS '000
Cost						
As at 1st January 2020	9,486,237	25,956,768	33,524	67,828	51,203,235	86,757,593
Additions	105,000	0	0	0	0	105,000
As at 31st December 2020	9,601,237	25,956,768	33,524	67,828	51,203,235	86,862,593
Depreciation						
As at 1st January 2020		1,207,838	4,493	24,529	21,962,784	23,289,644
Charge for the Year		2,465,863	2,903	4,330	2,924,757	5,397,883
As at 31st December 2020	0	3,763,731	7,396	26,859	24,887,541	28,687,527
Net carrying amount						
As at 31 December 2020	9,601,237	22,193,036	26,128	38,969	26,315,695	58,175,066
As at 31 December 2019	9,496,237	24,668,929	29,031	43,289	29,240,452	63,467,948
Cost						
As at 1st January 2019	680,237		6,292	67,826	35,656,235	36,408,593
Additions	8,815,000	25,956,768	27,232		15,548,000	50,346,000
As at 31st December 2019	9,496,237	25,956,768	33,524	67,826	51,203,235	86,757,593
Depreciation						
As at 1st January 2019	0	0	2,780	19,718	18,817,762	18,840,260
Charge for the Year	0	1,297,838	1,713	4,811	3,145,022	4,449,384
As at 31st December 2019	0	1,297,838	4,493	24,529	21,962,784	23,289,644
Net carrying amount						
As at 31 December 2019	9,496,237	24,658,929	29,031	43,299	29,240,452	63,467,948
As at 31 December 2018	680,237	0	3,512	48,110	16,837,475	17,569,334

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)		2020	2019
		T.SHS '000	T.SHS '000
7	Finance cost		
	Interest expenses	62,124	84,451
	Interest expenses - on asset finance and overdraft	2,580,518	1,042,571
		<u>2,642,642</u>	<u>1,127,022</u>
8	Investments in Associates		
	At the start of the year	<u>2,000,000</u>	<u>2,000,000</u>
	At the end of the year	<u>2,000,000</u>	<u>2,000,000</u>
9	Inventories		
	Closing stock	107,992	101,273
		<u>107,992</u>	<u>101,273</u>
10	Taxation		
	Recoverable brought forward for 2019	16,200	-
	Taxation recoverable for the year	36,000	16,200
		<u>52,200</u>	<u>16,200</u>
11	Trade & other receivables		
	Trade debtors	1,018,298	911,387
		<u>1,018,298</u>	<u>911,387</u>
12	Cash and cash equivalents		
	Cash in hand	2,850	3,404
	Cash at bank	1,419,251	564,063
		<u>1,422,101</u>	<u>567,467</u>
13	Share capital		
	Authorised:		
	10,000,000 (2019: 10,000,000) shares of TShs1,000 each	<u>10,000,000</u>	<u>10,000,000</u>
	Issued and fully paid:		
	8,000,000 (2019: 8,000,000) shares of TShs1,000 each	<u>8,000,000</u>	<u>8,000,000</u>
14	Loans		
	CIT Bank Tanzania	29,446,154	33,461,536
	Bank Of Africa Tanzania Ltd - Asset Financing Facility 33 DPY Series	9,882,448	12,633,536
	Assets Finance	39,950,298	41,731,646
		<u>79,278,901</u>	<u>87,826,720</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CITI Bank Tanzania

Fuel Depot Loan consists of lenders in form of CITI Bank Tanzania and is secured by a mortgage over the properties of the company procured situated at Kurasini fuel depot at Temeko district of Dar es Salaam.

The rate of Interest on each Loan for each interest period is the aggregate of the applicable 182 days Treasury bill rate plus a margin per annum.

The Loan is fully repaid in January 2026.

Bank Of Africa Tanzania Ltd - Asset Financing Facility 33 DPY Series

The Company has procured 33 Units of Scania Trucks and Doll Trailers and grow the business in the region, the assets has been financed by loan from bank of Africa Tanzania Ltd at interest of 7.25% on foreign currency per annum on reducing balance.

The Loan is fully repaid in February 2023.

Assets Finance

Assets Finance consists of lenders in the form of Bank of Tanzania Ltd, Standard Chartered Bank Tanzania Ltd and is secured by: a mortgage over the specific properties of the Company; personal guarantee by the directors of the Company.

The loan attracts interest at the following rates: For BOA Bank loan interest rate of 14% per annum. For Standard Chartered bank loan interest rate of 14% per annum.

The Loan is fully repaid in March 2027

15 Trade and other payables

Other payables	155,475	98,953
Trade payables	20,045,257	12,132,530
	<u>20,200,732</u>	<u>12,231,483</u>

16 Bank overdraft

Bank of Africa TZS Account	(457,116)	(473,211)
Citi Bank TZS Account	(1,150,788)	-
Bank of Africa USD Account	(319,683)	(1,220,767)
	<u>(1,927,586)</u>	<u>(1,693,978)</u>

The following are the overdraft facilities obtained by the Company:

a) Bank Of Africa Tanzania Ltd

- i) Purpose - To support working capital requirements of the borrower.
- ii) Interest rate of 14% per annum for Local Currency (Tzs) and 7.25% for Foreign Currency (USD).
- iii) Facility limit of upto USD 500,000 and Tzs 500,000,000
- iv) Repayment - Within 12 months from the date of sanction
- v) Security - Personal guarantee of the Directors as well as specific debentures of over 74 Trucks and Trailers of Superstar Forwarders Co. Ltd

b) CITI Bank Tanzania Limited

- i) Purpose - To support working capital requirements of the borrower.
Interest rate of 3.5% above 182 days Government of Tanzania Treasury Bill yield for Local Currency (Tzs) and 3.5% above 3 Month US Dollar Libor for Foreign Currency (USD).
- ii) Facility limit of upto USD 500,000
- iii) Repayment - Within 12 months from the date of sanction.
- iv) Security - Personal guarantee of the Directors as well as immovable properties of Superstar Forwarders Co. Ltd

SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2020

TAX COMPUTATION	2020 T.SHS '000
Loss before tax as per accounts	(3,697,601)
<u>Add: Non-allowable expenses</u>	
Depreciation	5,397,883
Interest on Tax	51,229
Penalty on Tax	4,740
Donation and Charities	11,779
	<u>5,465,631</u>
Sub- Total	1,768,030
<u>Less: Allowable deductions</u>	
Wear and tear allowance	7,131,964
Taxable loss	(5,363,934)
Less: Loss brought forward year 2019	(7,394,077)
Adjusted loss carried forward to 2021	<u>(12,758,012)</u>
Corporation tax at 30%	-
Less: Provisional tax paid for the year	(36,000)
Tax recoverable	<u>(36,000)</u>

DEPRECIATION ALLOWANCES SCHEDULE FOR THE YEAR 2020

	CLASS I 37.5% TZS	CLASS II 25.0% TZS	CLASS III 12.5% TZS	CLASS VI 5.0% TZS	TOTAL TZS
WDV as at 01.01.2020	5,653	17,037,398	22,742,336	554,056	40,339,444
Additions	-	-	-	-	-
Disposal	5,653	17,037,398	22,742,336	554,056	40,339,444
Wear & Tear allowances	(2,120)	(4,259,360)	(2,842,792)	(27,703)	(7,131,964)
WDV as at 31.12.2020	3,533	12,778,049	19,899,544	526,354	33,207,480

SUPERSTAR FORWARDERS COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021



Certified Public Accountants and Tax Consultants

*Samora Tower, Mezzanine 2nd floor (M2),
Corner of Bridge and Mansfeild Street,
P.O. Box 7286, Dar Es Salaam*
TEL.: +255(22) 2114081/2115688, FAX: +255 (22) 2131036

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

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 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 policy	12 - 14
Notes to these financial statements	15 - 18
Tax computation	19

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

Company information

Directors	Names	Nationality	
	Mr. Seif A. Seif	Tanzania	
	Mr. Fulgence R. Bube	Tanzania	WEF: 28/09/2020

Registered office
Superstar Forwarders Company Ltd
Plot 14, Nyerere Road
P.O.Box 16541
Dar Es Salaam, Tanzania

Principal bankers
Bank Of Africa Tanzania ltd
NDC Development House
Kivukoni/Ohio Street
P.O.Box 3054
Dar es Salaam, Tanzania

Citibank Tanzania Ltd
Citibank House
P.O.Box 71625
Dar es Salaam, Tanzania

CRDB Bank Limited
Holland House Branch
P.O.Box 71960
Dar es Salaam, Tanzania

Lawyer
FK Law Chambers
FK House
P.O.BOX 20787, 23 Ocean Road, Sea View
Dar es Salaam, Tanzania

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

Company Secretary
Upendo Ngaponda

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements for the year ended 31 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. The Company's registration number is 19842. The address of the registered office is set out on page 1.

PRINCIPAL ACTIVITIES

The principal activity of the company are transportation of commodities, surface to surface logistic solutions and Fuel Storage

DEVELOPMENTS

During the year the Companies invested Tzs 3 billion into its fixed assets to acquire 19 new units of aluminium self-supporting semi-trailer tank to acquire large market share in East Africa region

COMPOSITION OF THE BOARD OF DIRECTORS

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

Names	Position
Mr. Seif A. Seif	Director
Mr. Fulgence R. Bube	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 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.

Name of the shareholders	No of shares held	Shareholding
Mr. Nassor A. Seif	5,333,334	67%
Mr. Seif A. Seif	2,666,666	33%
	8,000,000	100%

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS

	2021 <u>T.SHS '000</u>	2020 <u>T.SHS '000</u>
Profit before tax	1,085,082	(3,697,601)
Tax charge - Current year	-	-
Profit for the year	<u>1,085,082</u>	<u>(3,697,601)</u>

RESERVES

Details of movement in the issued share capital and reserve are given in the statement of changes in equity on page 10. As at 31st December 2021 the company had total shareholders' fund of TZS 37.546 billion (2020: TZS 38.632 billion).

DIVIDEND

The directors do not recommend the declaration of a dividend for the 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 behaviour towards all stakeholders

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

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

SOLVENCY

The board of directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The board of directors has reasonable expectation that Superstar Forwarders Company Limited has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and employees' relationship

There was continued good relationship between employees and management for the year ended 31 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 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)

EMPLOYEES' WELFARE (Continue)

Canteen facility

Canteen facilities are available and free meals are provided to its employees and workers. During the year 2021 the company spent TZS 86.055 million for the welfare of the staff (2020: TZS 41.517 million).

Medical Facility

Workers are covered under National Health Insurance Fund and Company is providing 50% premium amount of the Medical Insurance. In the year of 2021 company has spent TZS 52.525 million for staff medical expenses. (2020: TZS 48.741 million). The company spent TZS 140.239 million for Covid-19 test and medical which not covered by National Health Insurance Fund (2020: TZS 43.006 million)

Financial Help

The company provides financial assistance to employees depending on assessment of the need and the current liquidity position of the company. In the year of 2021 company has spent for Staff welfare TZS 33.116 million (2020: TZS 15.977 million).

Training

Training given to staff is either external training and/or internal training. External training is through external courses and internal training is at the in-house training facility and on the job training. The company conducts induction program for new employees. External trainings are reviewed and used when considered appropriate. In the year of 2021 company has spent for Staff Training 61.859 TZS million (2020: TZS 32.270 million).

ENVIRONMENTAL MATTERS

The company complied with standards of Industrial Safety and Environmental Regulations established by various authorities to the best of its knowledge. The company was certified by OSHA for the complies with the Occupational Health and Safety Act.

SOCIAL AND POLITICAL DONATIONS

The Company did not make any political donations during the year.

INDEPENDENT PRACTITIONER

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

BY ORDER OF THE BOARD



Mr. Fulgence R. Bube
Director

18/02/2023

.....
Date

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 for Small and Medium-Size entities and that they are free from material misstatement whether due to fraud or error.

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

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

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

The directors have reviewed the company's cashflow forecast for the year ended 31 December 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 31 December 2021 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Tanzanian Companies Act 2002.

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



.....
Mr. Fulgence R. Bube
Director

10/02/2023

.....
Date

DECLARATION OF THE HEAD OF ACCOUNTING OF SUPERSTAR FORWARDERS CO 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 Salah Khalid being the Head of Accounting of Superstar Forwarders Company Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 Decemeber 2021 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 Superstar Forwarders Company Limited as on that date and that they have been prepared based on properly maintained financial

Signed by: 

Position: ACCOUNTANT

NBAA Membership No: ACPA 3744



Certified Public Accountants, Authorized Auditors and Tax Consultants

**INDEPENDENT PRACTITIONER'S COMPILATION REPORT
TO THE MEMBERS OF SUPERSTAR FORWARDERS COMPANY LIMITED**
Report on the financial statements

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

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

The directors are responsible for maintaining the books of accounts that give a true and fair view in accordance with the International Financial Reporting Standard and the requirements of the Tanzanian Companies Act 2002.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy, authenticity or completeness of the information provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements have been accurately prepared in accordance with IFRS 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

16 FEB 2023
Date

Place : Dar es Salaam

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021


STATEMENT OF PROFIT OR LOSS

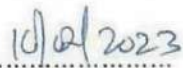
	Notes	2021 <u>T.SHS '000</u>	2020 <u>T.SHS '000</u>
Revenue	1	46,926,173	22,709,368
Less: Cost of sales	2	<u>(23,654,537)</u>	<u>(14,512,677)</u>
Gross profit		23,271,636	8,196,691
Gross income		23,271,636	8,196,691
Operating expenses	3	(8,874,275)	(1,672,919)
Administrative expenses	4	(870,694)	(295,085)
Payroll and employee costs	5	(1,899,971)	(1,885,763)
Depreciation	6	(5,067,998)	(5,397,883)
Finance cost	7	<u>(5,473,616)</u>	<u>(2,642,642)</u>
Profit before tax		1,085,082	(3,697,601)
Less: Tax charge for current year		-	-
Profit/ (Loss) for the year		1,085,082	(3,697,601)

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

STATEMENT OF FINANCIAL POSITION

	Notes	2021 T.SHS '000	2020 T.SHS '000
ASSETS			
Non-current assets			
Property and equipments	6	55,907,676	58,175,066
Investments in Associates	8	2,000,000	2,000,000
		<u>57,907,676</u>	<u>60,175,066</u>
Current assets			
Inventory	9	299,051	107,992
Taxation	10	90,200	52,200
Trade & other receivables	11	1,625,416	1,018,298
Cash and cash equivalents	12	117,850	1,422,101
		<u>2,132,517</u>	<u>2,600,591</u>
TOTAL ASSETS		<u>60,040,193</u>	<u>62,775,657</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	8,000,000	8,000,000
Retained losses		(45,546,480)	(46,631,562)
		<u>(37,546,480)</u>	<u>(38,631,562)</u>
Non current liability			
Loans	14	63,489,200	79,278,901
Current liabilities			
Trade and other payables	15	32,109,043	20,200,732
Bank overdraft	16	1,988,429	1,927,586
		<u>34,097,473</u>	<u>22,128,318</u>
TOTAL OF EQUITY AND LIABILITIES		<u>60,040,193</u>	<u>62,775,657</u>


.....
Mr. Fulgence R. Bube
Director


.....
Date

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

STATEMENT OF CHANGES IN EQUITY

	Share Capital <u>T.SHS '000</u>	Retained Earnings <u>T.SHS '000</u>	Total <u>T.SHS '000</u>
Year ended 31st December 2021			
At start of year	8,000,000	(46,631,562)	(38,631,562)
Total comprehensive income for the year	-	1,085,082	1,085,082
At end of year	<u>8,000,000</u>	<u>(45,546,480)</u>	<u>(37,546,480)</u>
Year ended 31st December 2020			
At start of year	8,000,000	(42,687,905)	(34,687,905)
Prior year adjustment	-	(246,056)	(246,056)
Total comprehensive income for the year	-	(3,697,601)	(3,697,601)
At end of year	<u>8,000,000</u>	<u>(46,631,562)</u>	<u>(38,631,562)</u>

SUPERSTAR FORWARDERS COMPANY LTD
 Annual report and financial statements
 For the year ending 31st December 2021

STATEMENT OF CASH FLOWS

	Notes	2021 T.SHS '000	2020 T.SHS '000
Cash flows from operating activities			
Loss for the year		1,085,082	(3,697,601)
<i>Adjustment for:</i>			
Depreciation	6	5,067,998	5,397,883
Profit before changes in working capital		6,153,080	1,700,282
<i>Changes in working capital</i>			
Inventory		(191,059)	(6,719)
Trade and other receivables		(607,118)	(106,910)
Trade and other payable		11,908,312	7,969,249
Cash generated from operations		17,263,214	9,555,901
Tax paid for prior year		-	(246,056)
Tax paid for current year	10	(38,000)	(36,000)
Net cash (generated from)/used in operating activities		17,225,214	9,273,845
Cash flows from investing activities			
Cash paid for purchase of property & equipment	6	(3,184,277)	(105,000)
Cash received for sale of property & equipment	6	383,669	-
Net cash used in investing activities		(2,800,608)	(105,000)
Cash flows from financing activities			
Bank overdraft	16	60,843	233,609
Loans		(15,789,701)	(8,547,819)
Net cash generated from financing activities		(15,728,858)	(8,314,210)
Net decrease in cash and cash equivalents		(1,304,251)	854,633
Cash and cash equivalents at start of year		1,422,101	567,468
Cash and cash equivalents at end of year	12	117,850	1,422,101

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1g) Financial instruments (continued)

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.

Cash and cash equivalents are classified as loans and receivables.

1i) Share capital

Ordinary shares are classified as equity.

1j) Provisions and contingencies

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

Contingent assets and contingent liabilities are not recognised.

1k) Comparatives

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

2) Key sources of estimation uncertainty

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

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

(i) Property and equipment

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

(ii) Income taxes

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

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

NOTES TO THE FINANCIAL STATEMENTS		
	2021	2020
	T.SHS '000	T.SHS '000
1 Revenue		
Local Service Income	12,963,348	9,863,375
Transit Service Income	33,796,505	12,712,771
Clearing Service Income	166,320	133,222
	46,926,173	22,709,368
2 Cost of sales		
Opening stock	107,992	101,273
Add: Purchases	22,696,485	14,402,167
Driver's Travelling Expenses	1,149,111	117,229
Cost of goods available for sale	23,953,588	14,620,669
Less: Closing stock	299,051	107,992
Cost of sales	23,654,537	14,512,677
3 Operating expenses		
License and Taxes	443,279	313,840
Insurance for Motor Vehicle -Local	1,201,683	1,001,611
Radio and OBC Repairs and Maintenance/Vehicle Tracking	379,217	104,737
Repairs and Maintenance - Motor Vehicles	1,989,129	174,706
Loss In Transit	2,390,348	-
Weighbridge Expenses	89,545	72,148
Loading and Unloading Charges	77,429	5,876
Trip Levies And Taxes	2,303,645	-
	8,874,278	1,672,919
4 Administrative expenses		
Audit and Accountancy Fees	5,000	5,000
Donation and Charities	14,416	11,779
Electricity	119,645	31,789
Sales Promotion	7,457	3,927
Staff Meals	86,055	41,517
Staff Medicals	140,239	43,006
Staff Welfare	33,116	15,977
Training	61,859	32,270
Telephone and Fax	56,764	27,386
Printing and Stationary	55,383	22,860
Water and Sewerage Services	7,472	3,605
Parking Fee	13,701	-
Work & Residence Permit	30,920	-
Loss on Fixed Assets sales	238,669	-
Interest On Tax	-	51,229
Penalty on Tax	-	4,740
	870,894	295,085
5 Payroll and employee costs		
Salaries and Wages	1,601,696	1,593,873
NSSF-Employers Contribution	160,170	159,387
NHIF health insurance	52,525	48,741
Workers Compensation Funds	17,540	15,939
Skills and Development Levy	68,040	67,823
	1,899,971	1,885,763

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Property & equipment

	Land & Buildings TZS '000	Plant & Machinery TZS '000	Furniture & fittings TZS '000	Machineries TZS '000	Motor vehicles TZS '000	Total TZS '000
Cost						
As at 1st January 2021	9,601,237	25,936,768	33,524	67,828	51,203,235	86,862,593
Additions During the Year	-	-	-	164,627	3,019,750	3,184,277
Disposal During the Year	-	-	-	-	(1,558,886)	(1,558,886)
As at 31st December 2021	<u>9,601,237</u>	<u>25,936,768</u>	<u>33,524</u>	<u>232,355</u>	<u>52,664,119</u>	<u>88,488,003</u>
Depreciation						
As at 1st January 2021	-	3,753,731	7,395	26,959	24,887,541	28,687,527
Depreciation on disposal	-	-	-	-	(1,175,197)	(1,175,197)
Charge for the Year	-	2,219,304	2,613	16,236	2,829,845	5,067,998
As at 31st December 2021	-	<u>5,983,035</u>	<u>10,009</u>	<u>45,096</u>	<u>26,542,188</u>	<u>32,580,328</u>

Net carrying amount

As at 31 December 2021	9,601,237	19,973,733	23,515	187,259	26,121,931	55,907,676
As at 31 December 2020	9,601,237	22,193,936	26,128	36,969	26,315,695	58,175,066

	Land & Buildings TZS '000	Plant & Machinery TZS '000	Furniture & fittings TZS '000	Machineries TZS '000	Motor vehicles TZS '000	Total TZS '000
Cost						
As at 1st January 2020	9,496,237	25,936,768	33,524	67,828	51,203,235	86,757,593
Additions	105,000	-	-	-	-	105,000
As at 31st December 2020	<u>9,601,237</u>	<u>25,936,768</u>	<u>33,524</u>	<u>67,828</u>	<u>51,203,235</u>	<u>86,862,593</u>
Depreciation						
As at 1st January 2020	-	1,297,838	4,493	24,529	21,962,784	23,289,644
Charge for the Year	-	2,465,893	2,903	4,330	2,924,757	5,397,883
As at 31st December 2020	-	<u>3,763,731</u>	<u>7,396</u>	<u>26,859</u>	<u>24,887,541</u>	<u>28,687,527</u>

Net carrying amount

As at 31 December 2020	9,601,237	22,193,036	26,128	36,969	26,315,695	58,175,066
As at 31 December 2019	9,496,237	24,658,929	29,031	43,299	29,240,452	63,467,948

SUPERSTAR FORWARDERS COMPANY LTD
Annual report and financial statements
For the year ending 31st December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)		2021	2020
		T.SHS '000	T.SHS '000
7 Finance cost			
Interest expenses		101,054	62,124
Interest expenses - on asset finance and overdraft		<u>5,372,562</u>	<u>2,580,518</u>
		5,473,616	2,642,642
8 Investments in Associates			
At the start of the year		2,000,000	2,000,000
Additions		-	-
At the end of the year		<u>2,000,000</u>	<u>2,000,000</u>
9 Inventories			
Closing stock		299,051	107,992
		<u>299,051</u>	<u>107,992</u>
10 Taxation			
Recoverable brought forward for 2019 and 2020		52,200	16,200
Taxation recoverable for the year		<u>38,000</u>	<u>36,000</u>
		<u>90,200</u>	<u>52,200</u>
11 Trade & other receivables			
Trade debtors		1,625,416	1,018,298
		<u>1,625,416</u>	<u>1,018,298</u>
12 Cash and cash equivalents			
Cash in hand		1,085	2,850
Cash at bank		<u>116,765</u>	<u>1,419,251</u>
		<u>117,850</u>	<u>1,422,101</u>
13 Share capital			
Authorised:			
10,000,000 (2020: 10,000,000) shares of TShs1000 each		<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid:			
8,000,000 (2020:8,000,000) shares of TShs1000 each		<u>8,000,000</u>	<u>8,000,000</u>
14 Loans			
CITI Bank Tanzania		22,753,846	29,446,154
Bank Of Africa Tanzania Ltd - Asset Financing Facility 33 DPY Series		5,979,996	9,882,448
Assets Finance		<u>34,755,356</u>	<u>39,950,296</u>
		<u>63,489,200</u>	<u>79,278,901</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CITI Bank Tanzania

Fuel Depot Loan consists of lenders in form of CITI Bank Tanzania and is secured by a mortgage over the properties of the company procured situated at Kurasini fuel depot at Temeke district of Dar es Salaam.

The rate of Interest on each Loan for each interest period is the aggregate of the applicable 182 days Treasury bill rate plus a margin per annum.

The Loan is fully repaid in January 2026.

Bank Of Africa Tanzania Ltd - Asset Financing Facility 33 DPY Series

The Company has procured 33 Units of Scania Trucks and Doll Trailers and grow the business in the region, the assets has been financed by loan from bank of Africa Tanzania Ltd at interest of 7.25% on foreign currency per annum on reducing balance.

The Loan is fully repaid in February 2023.

Assets Finance

Assets Finance consists of lenders in the form of Bank of Tanzania Ltd, and is secured by: a mortgage over the specific properties of the Company; personal guarantee by the directors of the Company.

The loan attracts interest at the following rates: For BOA Bank loan interest rate of 14% per annum.

The Loan is fully repaid in March 2027

	<u>2021</u>	<u>2020</u>
	<u>T.SHS '000</u>	<u>T.SHS '000</u>
15 Trade and other payables		
Other payables	286,519	155,475
Trade payables	31,822,524	20,045,257
	<u>32,109,043</u>	<u>20,200,732</u>
16 Bank overdraft		
Bank of Africa TZS Account	(364,387)	(457,116)
Citi Bank TZS Account	(472,531)	(1,150,788)
Bank of Africa USD Account	(1,151,511)	(319,683)
	<u>(1,988,429)</u>	<u>(1,927,586)</u>

The following are the overdraft facilities obtained by the Company:

- a) **Bank Of Africa Tanzania Ltd**
 - i) Purpose - To support working capital requirements of the borrower.
 - ii) Interest rate of 14% per annum for Local Currency (Tzs) and 7.25% for Foreign Currency (USD).
 - iii) Facility limit of upto USD 500,000 and Tzs 500,000,000
 - iv) Repayment - Within 12 months from the date of sanction.
 - v) Security - Personal guarantee of the Directors as well as specific debentures of over 74 Trucks and Trailers of Superstar Forwarders Co. Ltd
- b) **CITI Bank Tanzania Limited**
 - i) Purpose - To support working capital requirements of the borrower.
 - ii) Interest rate of 3.5% above 182 days Government of Tanzania Treasury Bill yield for Local Currency (Tzs) and 3.5% above 3 Month US Dollar Libor for Foreign Currency (USD).
 - iii) Facility limit of upto USD 500,000
 - iv) Repayment - Within 12 months from the date of sanction.
 - v) Security - Personal guarantee of the Directors as well as immovable properties of Superstar Forwarders Co. Ltd