

REPORT

AND

ACCOUNTS

SELCOM PAYTECH LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



AMBER CONSULTANCY

CERTIFIED PUBLIC ACCOUNTANTS & TAX CONSULTANTS

P.O.BOX 10230

DAR ES SALAAM, TANZANIA



TANZANIA REVENUE AUTHORITY

RETURN OF INCOME

MADE ON BEHALF OF AN ENTITY

YEAR OF INCOME: 2 0 1 8

To: SELCOM PAYTECH LIMITED
P.O.BOX 20656,
DAR - ES - SALAAM

TIN: 1 0 3 8 4 7 4 5 1

NOTE

This return is submitted under the provisions of Section 91 of the Income Tax Act, 2004. You are hereby required to furnish the return of income not later than six (6) months after the end of the year of income, showing your total worldwide income if you were resident in the United Republic or income the source of which is United Republic if you were not resident during the year ...2018.... You are required to make payment of the income tax still to be paid for the year of income based on the declared income.

Before filling the form, please read the attached notes at the end of the form carefully.

There are penalties for not filing a tax return or for filing false return!

Date of issue:

Issuing office: ...TEMEKE.....

P.O. Box :

Tel: Fax:

E-mail address:

PART I GENERAL INFORMATION/ENTITY'S PARTICULARS

- 1 TIN: 1 0 3 8 4 7 4 5 1
- 2 Name of entity:
SELCOM PAYTECH LIMITED
- 3 Residential status (Please tick the appropriate box):
Resident ☐ Non-Resident ☐
- 4 Postal Address:
P.O. Box 20656 Postal Town DAR ES SALAAM
- 5 Business physical Address:
Street/Location UHURU HEIGHTS, BIBI TITI MOHAMED RD. Plot No. 1418 Block 20
- 6 Contact Numbers:
Phone number 0786 455 554 Second Phone number
Third Phone number Fax number
- 7 E-mail address:
- 8 Accounting Date: Day Month
3 1 1 7

PART II: COMPUTATION OF INCOME AND TAX

	SOURCE OF INCOME	CHARGEABLE INCOME (TZS)	UNRELIEVED LOSS C/F (TZS)	TAX PAYABLE (TZS)
A	BUSINESS INCOME (include Trade, Profession, etc)			
9.	Income (Other than income in rows 10 to 13)	167,131,795		
10.	Mining			
11.	General Insurance			
12.	Life Insurance			
13.	Controlled Foreign Corporations			
14.	Sub Total (sum rows 9 to 13)	167,131,795		
15.	Unrelieved loss (in rows 9 to 13)			
15A	Unrelieved loss b/f from previous year			
	If row no. 14 is greater than row 15 then fill row 16			

	<i>otherwise fill row 17</i>		
16.	Chargeable Business Income excluding Agricultural income (row 14 minus 15)	167,131,795	
17.	Unrelieved loss from business other than agriculture (row 15 minus 14)		
18.	Agricultural income		
19.	Unrelieved loss from agriculture c/f		
20.	Total chargeable business income (row 16 plus 18)	167,131,795	
20A	Unrelieved loss from business c/d		
B.	INVESTMENT INCOME		
21.	Income (Other than Final Withholding)		
22.	Dividends (from Corporation listed on Dar es Salaam Stock Exchange)		
23.	Dividends (from Corporation not listed on the Dar es Salaam Stock Exchange)		
24.	Interest		
25.	Rent		
26.	Royalties		
27.	Natural resource payment		
28.	Net gains from realization of investment assets		
29.	Other investment (specify in separate schedule)		
30.	Sub Total Income from Investment (sum rows 21 to 29)		
31.	Unrelieved loss from investment		
	<i>If row 30 is greater than row 31 then fill row 32 otherwise fill row 33</i>		
32.	Total investment income (row 30 minus 31)		
33.	Unrelieved investment loss c/f (row 31 minus 30)		
33A	Unrelieved business loss c/f (row 20A minus 32)		
34.	Total income from business and investment (row 32 plus row 20 minus row 17) and Tax	167,131,795	50,139,538
35.	Repatriated Income of a Domestic Permanent Establishment and Tax		
36.	Final withholding payments and tax		
<i>If the entity is liable to Alternative Minimum Tax then fill row 37(b) otherwise fill row 37(a).</i>			
37.	(a) Total Tax (row 34 plus 35 plus 36) or		
	(b) Alternative Minimum Tax (0.3% of current year's turnover)		
38.	Tax deducted at source		13,940,179
39.	Installment Tax payments		128,000,000
	<i>If (row 37 minus 38 minus 39) is positive then fill row 40 otherwise fill row 41</i>		
40.	Net Tax Payable (row 37 minus 38 minus 39)		
41.	Net Tax Repayable (row 37 minus 38 minus 39)	91,800,641	
42.	Due Date of Submission of Return		

DECLARATION

I hereby declare that the information given on this return and any accompanying documents is complete and accurate to the best of my knowledge and belief.

Title: Mr. ☒ Mrs. ☐ Ms. ☐

SAMEER

First Name

NIZAR

Middle Name

HIRJI

Surname

Position

EXECUTIVE DIRECTOR

Signature.....

Day

Month

Year

20

03

20

20

CERTIFICATE

(To be completed by a Certified Public Accountant in public practice)

- A) Pursuant to the provision of Section 135(1) of the Income Tax Act, 2004 I hereby certify that I have examined the documents maintained by **SELCOM PAYTECH LIMITED**. (Name of the Entity) and used in the preparation of this return and to the best of my knowledge, the return and attachments thereof present a true and fair view of the operations of the Entity for the year of income ...2018..... (Based on Compilation Agreement)

OR

- B) Pursuant to the provision of Section 135(2) of the Income Tax Act, 2004 I refuse to sign the return of
.....(name of entity)

for the year of income, as required by section 135(1), because of the following reason(s)

Title: Mr ☒ Mrs. ☐ Ms ☐

SHAILESH

DHANJI

CHAVDA

First Name

Middle Name

Registration Number Issued by National Board of Accountants and Auditors: CP 19/069

Position

MANAGING PARTNER

Signature

Date

Day 26 Month 03

Year 2012

PART III: FINANCIAL INFORMATION ON THE ENTITY'S BUSINESS

(Other than Mining, General Insurance, Life Insurance, Agricultural Business and CFC)

	DESCRIPTION	AMOUNT (TZS)
43.	Gross Sales or turnover	9,033,739,100
44.	Opening value of Trading stock	-
45.	Expenditure incurred included in the cost of Trading stock	4,632,797,060
46.	Closing value of Trading stock	25,336,739
47.	Trading stock allowance (row 44 plus 45 minus 46)	4,607,460,321
48.	Gross profit (row 43 minus 47)	4,426,278,780
49.	Service fees	
50.	Gains/Loss from realization of business assets or liabilities	
51.	Amount derived as consideration for accepting a restriction	
52.	Gains/Loss from realization of depreciable assets of the business	
53.	Gifts and ex-gratia payments	
54.	Other amounts required to be included (specify in a separate schedule)	342,318,782
55.	Gross income (sum rows 48 to 54)	4,768,597,562
56.	Professional fees – Legal	5,991,610
57.	Professional fees – Others	2,500,000
58.	Management fees	-
59.	Technical fees	-
60.	Salaries and wages	1,899,826,419
61.	Repairs and maintenance	86,601,403
62.	Advertising and promotion	143,966,288
63.	Interests on borrowings	165,862,036
64.	Finance lease interests	-
65.	Transport and handling charges	2,134,600
66.	Depreciation/Amortization allowance	361,394,209
67.	Operating lease rentals	67,675,245
68.	Other expenses (specify in a separate schedule)	1,889,874,573
69.	TOTAL EXPENSES (sum rows 56 to 68)	4,625,826,384
	If (row 55 minus 69) is positive then fill row 70 otherwise fill row 71	
70.	Profit Before Tax (row 55 minus 69)	142,771,178
71.	Loss Before Tax (row 69 minus 55)	
	ADJUSTMENTS:	
72.	Non-allowable expenses (specify in a separate schedule)	423,418,994
73.	Specific deductions (specify in a separate schedule)	399,058,376
74.	If row 70 is filled then take row 70 plus 72 minus 73 and fill 75. If row 71 is filled then take row 71 plus 73 minus 72 and fill row 76.	
75.	Taxable Income (row 70 plus 72 minus 73)	167,131,795
76.	Loss (row 71 plus 73 minus 72)	

PART IV: FINANCIAL INFORMATION ON THE ENTITY'S BUSINESS
(Agricultural Business)

	DESCRIPTIONS	AMOUNT (TZS)
77.	Gross Sales or turnover	
78.	Opening value of Trading stock	
79.	Expenditure incurred included in the cost of Trading stock	
80.	Closing value of Trading stock	
81.	Trading stock allowance (row 78 plus 79 minus 80)	

82.	Gross profit (row 77 minus 81)	
	OTHER INCOME:	
83.	Service fees	
84.	Gains/Loss from realization of business assets or liabilities	
85.	Amount derived as consideration for accepting a restriction	
86.	Gains/Loss from realization of depreciable assets of the business	
87.	Gifts and ex-gratia payments	
88.	Other amounts required to be included (<i>specify in a separate schedule</i>)	
89.	Gross income (sum rows 82 to 88)	
	EXPENSES:	
90.	Environmental Expenditure	
91.	Research and Development expenditure	
92.	Agricultural improvement expenditure	
93.	Professional fees – Legal	
94.	Professional fees – Others	
95.	Management fees	
96.	Salaries and wages	
97.	Repairs and maintenance	
98.	Advertising and promotion	
99.	Interest on borrowings	
100.	Finance lease interests	
101.	Transport and handling charges	
102.	Depreciation allowance	
103.	Operating lease rentals	
104.	Other expenses (<i>specify in a separate schedule</i>)	
105.	Total Expenses (sum rows 90 to 104)	
	<i>If (row 89 minus 105) is positive then fill row 106 otherwise fill row 107</i>	
106.	Profit Before Adjustments (row 89 minus 105)	
107.	Loss Before Adjustments (row 89 minus 105)	
	ADJUSTMENTS:	
108.	Non-allowable expenses (<i>specify in a separate schedule</i>)	
109.	Specific deductions (<i>specify in a separate schedule</i>)	
110.	Loss brought forward from previous year	
	<i>If row 106 is filled then take row 106 plus 108 minus 109 minus 110 and fill 111. If row 107 is filled then take row 107 minus 108 plus 110 and fill 112</i>	
111.	Chargeable Income (row 106 plus 108 minus 109 minus 110)	
112.	Net Loss (row 107 minus 108 plus 109 plus 110)	

PART V: FINANCIAL INFORMATION ON THE ENTITY'S BUSINESS
(Repatriated Income)

	DESCRIPTION	AMOUNT (TZS)
113.	Net cost of depreciable assets at the beginning of the year	
114.	Net cost of other Assets at the beginning of the year	
115.	Market value of capital introduced during the year	
116.	(A) Net Cost of asset beginning of the year (row 113 plus 114 plus 115)	
117.	Total Income without deduction of unrelieved losses (row 16 plus 18 plus 30)	
118.	Tax payable on Total Income	
119.	(B) Net total income (row 117 minus 118)	
120.	Written down value of depreciable assets of the pools	
121.	Net cost of other assets at the end of the year	
122.	Net Incomings for the liabilities at the end of the year	
123.	Unrelieved losses	
124.	(C) Net cost of asset at the end of the year (sum rows 120 to 123)	
125.	Repatriated Income (A plus B minus C) subject to Section 72(2):	
126.	Net total income for the year (same figure as row no. 119)	
127.	Balance of Accumulated Profit account (Section 72 (3))	
128.	Total (row 126 plus 127) (<i>item No. 125 shall not exceed item No. 128</i>) (Section 72 (2))	

PART VI: BALANCE SHEET INFORMATION

ASSETS

	DESCRIPTION	AMOUNT (TZS)
	FIXED ASSETS:	
129.	Land and buildings	-
130.	Plant and machinery	-
131.	Motor Vehicles	-
132.	Intangible assets (Good will, Patent rights, etc.)	94,587,717
133.	Biological Assets	-
134.	Investments	-
135.	Long term Loans interest free	-

136.	Long term Loans interest bearing	-
137.	Other fixed assets (<i>specify in a separate schedule</i>)	2,854,393,155
138.	Total Fixed Assets (sum rows 129 to 137)	2,948,980,872
CURRENT ASSETS:		
139.	Cash	235,550
140.	Trade Debtors	2,539,701,463
141.	Other Debtors	72,966,456
142.	Bank balances	5,178,066,388
143.	Biological assets (Trading Stock)	-
144.	Inter-company balances	-
145.	Closing value of Trading Stock and WIP	25,336,739
146.	Other current assets (<i>specify in a separate schedule</i>)	113,017,641
147.	Total Current Assets (sum rows 139 to 146)	7,929,324,237
148.	Total Assets (row 138 plus 147)	10,878,305,109

LIABILITIES

	DESCRIPTION	AMOUNT (TZS)
149.	Short term loans interest bearing	-
150.	Short term loans interest free	-
151.	Trade Creditors	1,087,281,640
152.	Other Creditors	1,056,668,196
153.	Overdrafts	7,967,378,406
154.	Inter-company balances	532,677,511
155.	Provisions for other liabilities and charges	-
156.	Other current liabilities (<i>specify in a separate schedule</i>)	85,158,718
157.	Total Current Liabilities (sum rows 147 to 156)	10,729,164,470
158.	Long-term loans interest bearing	-
159.	Long-term loans interest free	-
160.	Debentures	-
161.	Inter-company borrowings	-
162.	Deferred Income tax liabilities	54,462,566
163.	Total Liabilities (sum rows 158 to 162)	10,783,627,036
164.	Net Assets (row 148 minus 163)	94,678,073

SHAREHOLDERS EQUITY

	DESCRIPTION	AMOUNT (TZS)
165.	Share capital	200,000,000
166.	Translation reserves	-
167.	Revaluation reserves	-
168.	Share premium	-
169.	Advance towards share capital	-
170.	Preference shares	-
171.	Revenue reserves	(105,321,927)
172.	Total Equity (sum rows 165 to 171)	94,678,073

PART VII: OTHER INFORMATION
(Transactions Between Related Persons)

	DESCRIPTION	AMOUNT (TZS)
173.	Total sales to related persons in the United Republic	
174.	Total sales to related persons outside the United Republic	
175.	Total purchases from related persons in the United Republic	
176.	Total purchases from related persons outside the United Republic	
177.	Other payments to related persons in the United Republic	
178.	Other payments to related persons outside the United Republic	
179.	Loans to related persons in the United Republic	
180.	Loans to related persons outside the United Republic	
181.	Loans from related persons in the United Republic	
182.	Loans from related persons outside the United Republic	

INCOME FROM INVESTMENTS

183. Dividends, Interest and Royalties (If more please attach as separate sheet)

TIN	Name of Taxpayer	Gross Dividends TZS	Gross Interest TZS	Gross Royalties TZS

Total				
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184. Rent

TIN	Received from: Name	Gross amount TZS	Asset/ Property type TZS	Property Ref. No.	Physical location	Municipality/ Town

185. INFORMATION ON WITHHOLDING TAXES

(Payments subject to Withholding Taxes)

Nature of payment	Gross amount (TZS)	Tax withheld (TZS)	Net amount Received (TZS)
Rental			
Service fees			
Professional			
Management			
Others			
Dividends (Listed on DSM Stock Exchange)			
Dividends (Non listed on DSM Stock Exchange)			
Insurance Premium			
Technical Service			
Interest			
Royalties			
Others			

186. TAXABLE FOREIGN INCOME SCHEDULE

Sources	Taxable TZS	Losses TZS	Exempt TZS	Foreign Tax Credits TZS (Provide Evidence)
Foreign business income				
Foreign employment income				
Foreign investments income				
Other foreign income				
Total				

187. FOREIGN TAX CREDIT ACCOUNT

Description	TZS
Unrelieved Foreign Tax Credit (see Section 77 (3)). (Provide Evidence)	
Foreign Tax Credits in respect of current year foreign income. (Provide Evidence)	
Foreign Tax Credits relieved this year	
Total foreign credit carried forward	

PART VIII: INFORMATION ON THE ENTITY

(Please, tick the appropriate row)

	YES	NO
188. Is the Auditor's/Accounting officer's report qualified?		
189. Is the entity dormant?		
190. Is the entity a United Republic resident as a result of management and control of its affairs exercised in United Republic?		
191. Is the entity incorporated, established or formed in the United Republic, but exclusively a tax resident of another country as a result of the application of a treaty for the avoidance of double taxation?		
192. Does the entity have a participation right in a controlled foreign company (CFC)?		
193. Is this return in respect of a branch of a foreign company?		
194. Is the amount derived from members of the Club or Trade Association three quarters or more of the gross? (provide proof)		

195. PARTICULARS OF BANK ACCOUNTS

Name of Bank	Branch	Address	Account No.	Type of account
DIAMOND TRUST BANK		DAR ES SALAAM	0403994004	TZS

196 PARTICULARS OF SHAREHOLDERS197. INTEREST IN OTHER ENTITIES198. DIRECTORS PARTICULARS199. PARTICULARS OF PARTNERS

200.	PARTICULARS OF DISTRIBUTION BETWEEN PARTNERS OF THE PROFITS AND LOSSES
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FOR OFFICIAL USE ONLY

A) Data entry:

Name of Officer Designation

Signature Date processed:

B) Authorization:

(Please, tick the appropriate row)

Approved ☐ Not approved ☐

Return is not signed

Return is incomplete

Return contains arithmetic errors

Application of wrong tax rates

Schedules not attached

Name of Officer Designation

Signature: Date:

NOTES:**The return**

The form asks for details of your income under the Income Tax Act, 2004.

The return consists of eight parts: Part I General Information/Entity's Particulars, Part II Computation of Income and Tax, Part III: Financial Information on The Entity's Business (Other than Agricultural Business), Part IV: Financial Information on the Entity's Business (Agricultural Business), Part V: Financial Information on the Entity's Business (Repatriated Income), Part VI: Balance Sheet Information, Part VII: Other Information (Transactions Between Related Persons), Part VIII: Information on the Entity.

The return consists of Income and Tax Calculation, declaration, shareholders and financial information pages. There are other "supplementary" pages for some types of income. For example there are supplementary pages for calculation of income of charitable organizations, gain from realization of shares and securities in a corporation and gains on realization of interest in land and buildings, shipping profits and incidental services offered by nonresident persons without domestic permanent establishment. There are also supplementary pages on calculation of income from mining, general insurance business and life insurance business. Supplementary pages which apply to you that are not incorporated in the return may be obtained on request from the nearest TRA office or accessed from TRA Website www.tra.go.tz. Ignore supplementary pages issued which do not apply to you for the year of income.

The return of income of an entity is to be completed by the Managing Director, General Manager or other Principal Officer of the entity and shall be certified by a Certified Public Accountant in public practice. The return of income of a partnership is to be completed by the resident managing partner or where no partner is resident in United Republic by the attorney agent, manager or factor of the partnership resident in United Republic.

If you have any difficulty in completing this return you are requested to contact your nearest TRA Office.

Schedules required to be attached with the return:-

- Computation for depreciation allowance of depreciable assets
- Computation of non-allowable expenses, to include such expenses like
 - ❖ Contribution to charitable organizations in excess of 2% of entities' income from business
 - ❖ Interest denied under Section 12(3) of the Income Tax Act, 2004 (Chapter 332)
 - ❖ Expenditure on improvement disallowed under Section 14 of the Income Tax Act, 2004
 - ❖ Capital expenditure other than capital allowance on depreciable assets
 - ❖ Consumption expenditure
 - ❖ Excluded expenditure

Charge of Tax

Income tax shall be charged and is payable for each year of income by every person:

- a) who has total income
- b) who has a domestic permanent establishment that has repatriated income.
- c) who receives a final withholding payment

Total income of an entity

The total income of an entity is the sum of the entity's chargeable income for the year of income from each, business and investment.

Chargeable income of an entity

The chargeable income of an entity for a year of income shall be:

- a) in the case of a resident entity, the entity's income irrespective of the source (worldwide income).
- b) In the case of a non-resident entity, the entity's income sourced in the United Republic.

Calculation of income or loss

An entity shall calculate income or loss that has a source in the United Republic separately from any income or loss that has a foreign source. An entity's foreign source of income (or loss) shall be calculated as the difference between worldwide income (or loss) and income (or loss) that has a source in the United Republic.

Alternative Minimum Tax

Where the entity makes a loss for the year of income and other two prior consecutive years, it is chargeable to alternative minimum tax at the third consecutive year at the rate specified below. This applies to loss attributable to tax incentives and shall apply to entity's business only.

Note that only positive figures shall be inserted in any column; neither negative sign nor brackets shall be used when inserting such loss figures.

Deduction for loss

In calculating the income of an Entity (other than a partnership or a foreign permanent establishment) from a business or an investment for a year of income there shall be deducted:

- a) any unrelieved loss of the entity from any other business or investment;
- b) any unrelieved loss of a previous year of income of the entity from any business or investment;

For the purpose of deduction for loss, an Entity may deduct any unrelieved loss:-

- a) in the case of a foreign sourced loss from an investment only in calculating the entity's foreign source investment income;
- b) in the case of other losses from an investment only in calculating the entity's income from an investment; and
- c) in the case of other foreign source losses only in calculating the entity's foreign income; and
- d) in the case of loss incurred on agricultural business only in calculating the entity's income derived from agricultural business.

Tax rates

Corporate tax rate 30% is for both resident and non-resident entity.

Repatriated income of a domestic permanent establishment tax rate is 10%

Alternative Minimum Tax rate is 0.3% of the turnover amount.

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CORPORATE INFORMATION

Board of Directors	Mr. Nizar Juma Hirji	Tanzanian
	Mrs. Roshan Nizar Hirji	Tanzanian
	Mr. Sameer Nizar Hirji	Tanzanian
	Mr. Benjamin Anastaze Mpamo	Tanzanian
Practitioner	Amber Consultancy	
	Certified Public Accountants	
	P.O. Box 10230	
	Dar es Salaam	
Principal Bankers	Tanzania	
	National Bank Of Commerce	
	Dar es Salaam	
	Tanzania	
Registered Office	Diamond Trust Bank	
	Dar es Salaam	
	Tanzania	
	8th Floor, Uhuru Heights	
	Bibi Titi Mohamed Road	
	P.O.Box 20656	
	Dar es Salaam	

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 The Directors submit their report together with the financial statements For The Year Ended 31 December 2018 which disclose the financial position of SELCOM PAYTECH LIMITED (the Company).

2 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position at 31 December 2018 and the income statement, the statement of changes in equity and cash flow statement for the period then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by Tanzania Companies Act, 2002.

The Directors' responsibility includes: keeping proper accounting records, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

3 PRINCIPAL ACTIVITIES

The principal activities of the company is that of providing an infrastructure of POS devices, mobile banking and payment services.

4 EMPLOYEE WELFARE

The Company's employment terms are reviewed annually to ensure that they meet statutory and market conditions.

5 CAPITAL STRUCTURE AND CASHFLOWS

The capital structure of the company is outlined .

6 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

7 RELATED PARTY TRANSACTIONS

All transactions with related parties were undertaken on an arms length basis.

8 DONATIONS

The company did not give any donations to the political parties or organisations during the period.

9 DIRECTORS

The directors of the Company at the date of this report who have held office are:

Mr. Nizar Juma Hirji
Mrs. Roshan Nizar Hirji
Mr. Sameer Nizar Hirji
Mr. Benjamin Anastaze Mpamo

10 RESULTS AND DIVIDENDS

The Net Profit Before Tax for the period was TZS 142,771,178 The directors do not recommend the declaration of a dividend for the year

11 SOLVENCY

The Company's state of affairs at the Financial Period End is set out on these financial statements. Measures are being taken to improve the liquidity of the Company and the shareholders have agreed to provide continued financial support. Consequently, it is solvent and able to meet its obligations in full. These financial statements have therefore been prepared on a going concern basis.

BY ORDER OF THE BOARD
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

Director: _____

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

**REPORT OF THE COMPANY'S ACCOUNTANT
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Report on the financial statements


In accordance with the instructions given to me by the Directors, I have prepared / reviewed the financial statements of SELCOM PAYTECH LIMITED, which comprise the statement of financial position and the statement of comprehensive income and cash flow statement for the period ended 31st December 2018 and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Responsibility of the company's accountants

In accordance with the technical pronouncement no.1 of 2016 issued by the National Board Of Accountants and Auditors (NBAA), I have reviewed the financial statements for the year ended 31st December 2018, as were provided to me by the directors. The objective of our review was to ensure that the financial statements are prepared in compliance with all the applicable accounting standards and legal reporting requirements. I took extra care and vigilance in ensuring all disclosure requirements are met.

Declaration

In view of the above, I confirm that the financial statement for the year ended 31st December 2018, are fairly presented and are in compliance with the applicable accounting standards and statutory requirements.



NAME: ADAM SUPE

MEMBERSHIP NO: GA 3156.

DATE: 20/03/2020

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

Practitioner's Compilation Report
FOR THE YEAR ENDED 31ST DECEMBER 2018

We have compiled the accompanying financial statements of SELCOM PAYTECH LIMITED based on information you have provided. These financial statements comprise the Statement of Financial Position of SELCOM PAYTECH LIMITED as at 31 December 2018, The Statement of Comprehensive Income, Statement of changes in equity and Statement of Cashflows for the year ended and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standards on Relation Services 4410(revised) Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards for Small and medium-sized Entities (IFRS for SMEs). We have compiled with relevant ethical requirements including principles of Integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are proprietors responsibility.

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


SHAILESH CHAVDA
CP 19/069
Amber Consultancy
PO Box 10230
DAR-ES-SALAAM.....



20/3/2020

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 TZS	2017 TZS
Revenue	2	9,033,739,100	2,261,391,000
Cost of Sales	3	(4,607,460,321)	(1,011,494,000)
Gross Profit		<u>4,426,278,780</u>	<u>1,249,897,000</u>
Other Income	4	342,318,782	300,000,000
		<u>4,768,597,562</u>	<u>1,549,897,000</u>
Operating Costs			
Employment Cost	5	(2,190,762,260)	(84,631,000)
Administration Cost	6	(2,203,400,820)	(865,676,000)
		<u>(4,394,163,081)</u>	<u>(950,307,000)</u>
Operating Profit/ (Loss)		<u>374,434,481</u>	<u>599,590,000</u>
Finance Cost	7	(231,663,303)	(4,467,000)
Profit/ (Loss) Before Tax		<u>142,771,178</u>	<u>595,123,000</u>
Tax Credit/ (Charge)	8	(46,815,105)	(719,202,000)
Net Profit/ (Loss) for the Year		<u><u>95,956,073</u></u>	<u><u>(124,079,000)</u></u>

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 TZS	2017 TZS
NON CURRENT ASSETS			
Property, Plant & Equipment	12	2,854,393,155	2,560,736,000
Intangible Asset	13	94,587,717	28,018,000
		<u>2,948,980,872</u>	<u>2,588,754,000</u>
CURRENT ASSETS			
Inventories	10	25,336,739	-
Trade and Other Receivables	11	2,612,667,919	624,110,000
Tax Recoverable	20	113,017,641	-
Cash and Bank	14	5,178,301,938	689,104,000
		<u>7,929,324,237</u>	<u>1,313,214,000</u>
CURRENT LIABILITIES			
Bank Overdraft	16	7,967,378,406	-
Trade and Other Payables	15	2,143,949,836	579,011,000
Due to Related Parties	17	532,677,511	3,057,149,000
Taxation	20	-	209,299,000
		<u>10,644,005,752</u>	<u>3,845,459,000</u>
NET CURRENT ASSETS		<u>(2,714,681,515)</u>	<u>(2,532,245,000)</u>
NON CURRENT LIABILITIES			
Deferred Tax	16	54,462,566	57,787,000
Deferred Grants	18	85,158,718	-
		<u>139,621,284</u>	<u>57,787,000</u>
NET ASSETS		<u>94,678,073</u>	<u>(1,278,000)</u>
CAPITAL AND RESERVES			
Paid up Share Capital	19	200,000,000	200,000,000
Retained Earnings		(105,321,927)	(201,278,000)
		<u>94,678,073</u>	<u>(1,278,000)</u>

The Report and Financial Statements on pages 1 - 16 were approved by the Board of Directors
on 20.03.2019 and were signed on its behalf by:

Director: 

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital	Retained Earnings	Totals
	TZS	TZS	TZS
Balance at 01 January 2018	200,000,000	(201,278,000)	(1,278,000)
Retained Profit for the Year	-	95,956,073	95,956,073
Balance at 31 December 2018	<u>200,000,000</u>	<u>(105,321,927)</u>	<u>94,678,073</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital	Retained Earnings	Totals
	TZS	TZS	TZS
Balance at 01 January 2017	200,000,000	(77,199,000)	122,801,000
Retained Profit for the Year	-	(124,079,000)	(124,079,000)
Balance at 31 December 2017	<u>200,000,000</u>	<u>(201,278,000)</u>	<u>(1,278,000)</u>

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 TZS	2017 TZS
<u>Cash flow from Operating Activities</u>			
Profit before Tax		142,771,178	595,122,623
Interest		165,862,036	
Depreciation	12	344,910,812	214,239,136
Amortization		16,483,397	1,602,000
Operating Cash Flow before Working Capital Changes		670,027,422	810,963,759
Changes in Working Capital			
(Increase)/ Decrease in Inventories		(25,336,739)	-
(Increase)/ Decrease in Trade and Other Receivables		(1,988,557,919)	(526,903,000)
Increase/ (Decrease) in Trade and Other Payables		1,564,938,836	503,351,000
Related party balances		(2,524,471,489)	1,613,017,000
		(2,973,427,312)	1,589,465,000
Cash Flow from Operating Activities		(2,303,399,890)	2,400,428,759
Tax Paid	20	(372,456,179)	(419,000,000)
Net Cash Generated from Operating Activities		(2,675,856,069)	1,981,428,759
<u>Investing Activities</u>			
Acquisition of item of property, plant & Equipment	12	(638,567,967)	(1,296,956,396)
Acquisition of Intangible asset		(83,053,028)	(29,620,449)
Net Cash Utilised in Investing Activities		(721,620,995)	(1,326,576,845)
<u>Financing Activities</u>			
Grants Received		85,158,718	
Interest paid		(165,862,036)	
Net Cash Generated from Financing Activities		(80,703,318)	-
Net Increase/ (Decrease) in Cash and Cash Equivalent		(3,478,180,382)	654,851,914
Cash and Cash Equivalent at the Beginning of the Year		689,103,914	34,252,000
Cash and Cash Equivalent at the End of the Year	14	(2,789,076,468)	689,103,914

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Principle Accounting Policies

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS), and have been prepared under the historical cost convention.

b) Revenue Recognition

Sales are recognised upon delivery of products and customer acceptance. Revenue from provision of services are recognised upon performance of the services. Sales are shown net of Value Added Tax (VAT) and discounts.

c) Premises and Equipment

Equipment is stated at historical cost less accumulated depreciation. Depreciation is calculated on the reducing balance method to write off the cost of each asset over its expected useful life, as follows:

Office Computers	33.30%
Motor Vehicles	25.00%
Office Furniture & Equipment	12.50%
Equipment	12.50%

For equipment purchased or disposed of during the year, depreciation is provided fully for the year.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Increase in carrying amount arising on revaluation are carried to revaluation reserve.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

d) Intangible Assets

Intangible assets include computer software, which is capitalised on the basis of the costs incurred to acquire and bring to use the specific computer software. These costs are amortised over their estimated useful lives, which is estimated at five years.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. In general, cost is determined on the weighted average basis. The Cost of finished goods comprises of raw materials and other direct cost incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made, where necessary, for obsolescent, slow moving and defective stocks.

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

f) Translation of foreign currencies

Transactions during the period which are denominated in foreign currencies are converted into Tanzania shillings at rates ruling at the transaction dates. Monetary assets and liabilities at the Statement of Financial Position date which are expressed in foreign currencies are translated into Tanzania Shillings at rates ruling at that date. The differences resulting from the translation are dealt with in the income statement in the year in which they arise.

g) Trade receivables

Trade receivables are carried at original invoice amount less specific provision for doubtful debts based on a review of all outstanding amounts at the period end. Bad debts are written off when identified.

h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position are stated at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, short term bank loans and overdrafts and investments of three months or less in money market instruments.

i) Taxation

Current tax is provided on the results for the year, adjusted in accordance with tax legislation. Calculations are as per note no. 20

j) Employee Entitlements

Employee entitlements to gratuity and long term service dues are recognised when they accrue to employees. As no gratuity is payable to employees upon termination of services for whatever reason, provision for gratuity is not necessary.

The estimated monetary liability for employees' annual leave entitlement at the Statement of Financial Position date is recognised as accrual.

k) Comparatives

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

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 TZS	2017 TZS
2 Revenue		
Billers Income	4,279,591,915	1,527,410,000
Mobile Banking	2,284,004,871	207,673,000
Value added Services	843,322,456	526,308,000
Selcom Cards	25,000,000	-
Raffle Services	5,000,000	-
Transactions Processing Fees	1,156,205,103	-
Agent Commission	409,274,756	-
Integration fees	11,600,000	-
Development fees	2,240,000	-
Annual Maintenance Fees	17,500,000	-
	<u>9,033,739,100</u>	<u>2,261,391,000</u>
3 Cost of Sales		
Opening Stock	-	-
Purchases	25,336,739	-
Commission share and Direct expenses	1,054,135,761	1,011,494,000
Commission SMPPOS	3,553,324,560	-
Closing Stock	(25,336,739)	-
	<u>4,607,460,321</u>	<u>1,011,494,000</u>
4 Other Income		
Service Fees	-	300,000,000
Grant Income	342,318,782	-
	<u>342,318,782</u>	<u>300,000,000</u>
5 Employment Cost		
Salaries and Wages	1,899,826,419	73,940,000
NSSF	183,565,543	5,902,000
SDL	85,488,994	3,327,000
Workers Compensation Fund	18,997,555	739,000
Other Staff Costs	2,883,749	723,000
	<u>2,190,762,260</u>	<u>84,631,000</u>
6 Administrative Costs		
Electricity and Water	21,935,944	-
Freight Cost and Inspection Fee	2,256,830	1,425,000
Other Clearing Charges	14,062,401	12,383,000
Shortcodes Annual Maint Fee	90,475,000	50,400,000
Courier Charges	3,767,832	-
Work Permit Expense	6,041,500	32,100,000
Advertisement Expense	143,966,288	33,485,000
Professional Fees	2,500,000	22,400,000
Visa Charges	1,680,700	-
City Service Levy	24,785,170	6,874,000
Membership Fees	7,405,700	-
Communication Expense	393,303,617	129,900,000
Service Fees	72,476,305	-
Motor Vehicle parking Fees	25,600	-
TFF Administration Expense	1,555,000	-
Recruitment Cost	3,800,000	-
Computer Consumable	39,051,250	15,418,000
Office Expense	6,375,256	-
Mastercard Expenses	4,576,133	-
Insurance Charges	13,722,000	-
Connectivity Fee Expenses	-	18,439,000
Internet Links and Access	132,964,856	41,111,000
Medical Expense	10,348,320	-
General Expense	513,113	-
Legal Fees	5,991,610	111,395,000
Licence Expenses	-	19,250,000
Depreciation/Amortization	361,394,209	215,841,000
Security	5,133,103	-
Donations	7,300,000	-
Transport/Conveyance	2,134,600	-
Printing & Stationery	94,744,524	2,818,000
Professional Charges	250,281,639	114,427,000
Rent	67,675,245	2,544,000
Monthly Retainer	10,305,000	-
Repair & Maintenance	86,601,403	20,358,000
Royalty	76,914,835	18,683,000
Sanitary and Cleaning Expenses	418,200	154,000
License Expense	97,580,500	3,400,000
Tendering Fee	500,000	235,000
Travelling & Accommodation	51,069,978	4,340,000
Universal Service Levy	66,514,614	15,788,000
Forex (Gain)/Loss Unrealised	21,252,548	(27,492,000)
	<u>2,203,400,820</u>	<u>865,676,000</u>

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018 TZS	2017 TZS
7 Finance Cost			
Bank Charges		65,801,267	4,467,000
Bank Interest		165,862,036	-
		<u>231,663,303</u>	<u>4,467,000</u>
8 Corporation Tax			
Current Tax	20	50,139,538	-
Deferred Tax (Credit)/Charge	18	(3,324,434)	-
Charge for the Year		<u>46,815,105</u>	<u>-</u>
9 Income Tax Reconciliation			
Profit before Tax		142,771,178	595,123,000
Tax @ 30%		42,831,353	178,536,900
Charge for the Year		<u>42,831,353</u>	<u>178,536,900</u>
10 Trade and Other Receivables			
Stock In Trade		<u>25,336,739</u>	<u>-</u>
11 Trade and Other Receivables			
Trade Receivables		2,539,701,463	314,964,000
Accrued Income		-	226,026,000
Prepayments		72,966,456	83,120,000
		<u>2,612,667,919</u>	<u>624,110,000</u>

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

12 Property, Plant and Equipment

	Office Computers	POS Devices	Office Furniture & Equipment	Capital Work In Progress	Total
	TZS	TZS	TZS	TZS	TZS
Cost					
As at 01 January 2018					
Cost	133,367,000	2,447,740,000	130,869,000	228,292,000	2,940,268,000
Additions	8,414,836	567,326,413	30,268,652	32,558,066	638,567,967
Disposals	-	-	-	-	-
As at 31 December 2018	141,781,836	3,015,066,413	161,137,652	260,850,066	3,578,835,967
Depreciation					
As at 01 January 2018	19,200,000	274,450,000	85,882,000	-	379,532,000
Charge for the Year	39,673,153.1	297,463,921	7,773,738	-	344,910,812
Disposals	-	-	-	-	-
As at 31 December 2018	58,873,153	571,913,921	93,655,738	-	724,442,812
Net Book Values					
As at 31 December 2018	82,908,683	2,443,152,492	67,481,915	260,850,066	2,854,393,155
As at 31 December 2017	114,167,000	2,173,290,000	44,987,000	228,292,000	2,560,736,000

13 INTANGIBLE ASSETS

	2018	2017
COST		
Balance at 1 January 2018	29,620,449	-
Additions	83,053,028	29,620,449
Balance at 31 December	112,673,477	29,620,449
AMORTIZATION		
Balance at 1 January 2018	1,602,363	-
Charge for the year	16,483,397	1,602,363
Balance at 31 December 2018	18,085,760	1,602,363
NET BOOK VALUE	94,587,717	28,018,086

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 TZS	2017 TZS
14 Cash and Bank Balances		
Cash in Hand	235,550	688,070,000
Cash at Bank	<u>5,178,066,388</u>	<u>1,034,000</u>
	<u>5,178,301,938</u>	<u>689,104,000</u>
Bank OD A/c - Barclays	<u>(7,967,378,406)</u>	<u>-</u>
	<u>(7,967,378,406)</u>	<u>-</u>
Cash & Cash Equivalent as 31st December	<u>(2,789,076,468)</u>	<u>689,104,000</u>

15 Trade and Other Payables		
Trade Payables	1,087,281,640	-
Other Creditors	164,363,831	474,237,000
Accrued Expenses	2,500,000	55,464,000
Statutory Payables	164,304,365	49,310,000
POS Deposit	<u>725,500,000</u>	<u>-</u>
	<u>2,143,949,836</u>	<u>579,011,000</u>

16 Bank Overdraft Facility		
Barclays Bank	<u>7,967,378,406</u>	<u>-</u>
	<u>7,967,378,406</u>	<u>-</u>

17 RELATED PARTY TRANSACTIONS AND BALANCES

Related party relationships exist between shareholders, fellow group companies, companies under common ownership, and directors and key group management personnel.

The ultimate holding Company is Selcom Wireless Limited, a company incorporated in Tanzania

The Company has certain operating and capital expenses that are paid on its behalf by the parent company

The Company incurred the following expenses with related parties:

	2018	2017
Rental expenses	51,722,319	1,600,000
License Fees	-	3,400,000
Purchase of assets	<u>-</u>	<u>1,326,577,000</u>

As at the year end, the following were the balances due to related parties

	2018	2017
Professional Fees		
Selcom Wireless Limited	469,563,192	3,045,757,000
Selcom Limited	<u>63,114,319</u>	<u>11,392,000</u>
	<u>532,677,511</u>	<u>3,057,149,000</u>

	2018	2017
18 DEFERRED GRANTS		
Deferred Grants - Mastercard Asia Pacific	<u>85,158,718</u>	<u>-</u>
	<u>85,158,718</u>	<u>-</u>

19 Share Capital

Authorised Share Capital		
1,000 ordinary shares of TZS 200,000 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and Fully Paid		
1,000 ordinary shares of TZS 200,000 each	<u>200,000,000</u>	<u>200,000,000</u>

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

2018
TZS

20 Corporation Tax Computation

Profit/ (Loss) as per Accounts			142,771,178
Add:			
Depreciation	344,910,812	100%	344,910,812
Amortization	16,483,397	100%	16,483,397
Add: <u>Disallowed Expenses</u>			
Other Staff Costs	2,883,749	50%	1,441,875
Communication Expense	393,303,617	10%	39,330,362
Forex (Gain)/Loss Unrealised	21,252,548	100%	21,252,548
			<u>423,418,993</u>
			566,190,171
Less: Wear and Tear Allowance (Class I, II & III)	Note 21		(376,523,681)
Less: Wear and Tear Allowance (Class VII)	Note 22		(22,534,695)
Adjusted Taxable Profit/ (Loss)			167,131,795
ADD: Losses b/f			-
Taxable Profit/(Loss) Chargeable			167,131,795
Tax at 30%			50,139,538
<u>Taxation Account</u>			
Balance at 01 January 2018			209,299,000
Charge for the year			
Current Tax			50,139,538
			<u>50,139,538</u>
Tax Paid			
Provisional Tax Paid			(128,000,000)
Withholding /Single Instalment tax			(13,940,179)
Prior Year Tax			(230,516,000)
			<u>(372,456,179)</u>
Tax Payable/ (Recoverable)			(113,017,641)

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

21 Wear and Tear Allowance

	Class I 37.5% TZS	Class III 12.5% TZS	Total TZS
Tax WDV at 01 January 2018	106,882,510	2,068,702,341	2,175,584,851
Additions	8,414,836	597,595,065	606,009,901
	115,297,346	2,666,297,406	2,781,594,752
Allowance Rate	37.5%	12.5%	
Wear and Tear Allowance for the Year	(43,236,505)	(333,287,176)	(376,523,681)
Tax WDV at 31 December 2018	72,060,841	2,333,010,230	2,405,071,072

22 Wear & Tear - Intangible Asset

Useful Life = 5 Years

Details	Cost b/f/Addition	Residual b/f, Addition	Wear & Tear Allowance	Disposal adj to residue	Disposal adj to cost	Tax WDV c/f 31/12/2018
	TZS	TZS	TZS	TZS	TZS	TZS
			20%			
WDV as at 01/01/2018	29,620,449	19,746,966	(5,924,090)	-	-	13,822,876
2018	83,053,028	83,053,028	(16,610,606)			66,442,422
Total	112,673,477	102,799,994	(22,534,695)	-	-	80,265,299

SELCOM PAYTECH LIMITED
(formerly known as SELCOM GAMING LIMITED)

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

23 Deferred Tax Calculation

	Class I	Class III	Class VII	Total
	TZS	TZS	TZS	TZS
Net Book Values (Cost)	82,908,683	2,510,634,406	94,587,717	2,688,130,806
Tax Written Down Values	72,060,841	2,333,010,230	80,265,299	2,485,336,370
Excess of Tax Allowances over Depreciation	10,847,842	177,624,176	14,322,419	202,794,436
Tax at 30% - (Asset)/ Liability	3,254,353	53,287,253	4,296,726	60,838,331
Balance at 01 January 2018				49,539,400
Charge/ (Credit) for the Year - Fixed Assets				11,298,931
Deferred Tax on Timing Differences				
Unrealised foreign exchange differences				(21,252,548)
Total				(21,252,548)
Deferred tax (asset) / liability timing differences				(6,375,764)
Balance at 01 January 2018				8,247,600
Charge / (Credit) on timing differences				(14,623,364)
TAXABLE LOSS				
Accumulated Taxable Loss for the Year				-
30% Tax - (Asset)/Liability				-
Opening Balance				-
Closing Balance				-
Charge/ (Credit) for the Year - Losses c/f				-
Total Deferred Tax Account				
Fixed Assets - Liability				60,838,331
Timing Difference - (Asset)/Liability				(6,375,764)
Taxable Loss - Asset				-
Deferred Tax Recoverable				54,462,566
Deferred Tax Charge for the Year				
Fixed Assets - Charge/(Credit)				11,298,931
Timing Difference - Charge/(Credit)				(14,623,364)
Taxable Loss - Charge				-
Charged to Income Statement				(3,324,434)