

REPORT

AND

ACCOUNTS

SELCOM PAYTECH LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



AMBER CONSULTANCY

CERTIFIED PUBLIC ACCOUNTANTS & TAX CONSULTANTS

P.O.BOX 10230

DAR ES SALAAM, TANZANIA

SELCOM PAYTECH LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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SELCOM PAYTECH LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CORPORATE INFORMATION

Board of Directors

Mr. Nizar Juma Hirji
Mrs. Roshan Nizar Hirji
Mr. Sameer Nizar Hirji

Tanzanian
Tanzanian
Tanzanian

Practitioner

Amber Consultancy
Certified Public Accountants
P.O. Box 10230
Dar es Salaam
Tanzania

Principal Bankers

National Bank Of Commerce
Dar es Salaam
Tanzania

Diamond Trust Bank
Dar es Salaam
Tanzania

Registered Office

8th Floor, Uhuru Heights
Bibi Titi Mohamed Road
P.O.Box 20656
Dar es Salaam

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

- 1 The Directors submit their report together with the financial statements For The Year Ended 31 December 2019 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 2019 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 payment system provider under license from BOT

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

10 RESULTS AND DIVIDENDS

The Net Profit Before Tax for the period was TZS 2,004,542,992 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

**REPORT OF THE COMPANY'S ACCOUNTANT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019 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 2019, 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 2019, are fairly presented and are in compliance with the applicable accounting standards and statutory requirements.



NAME: CPA FRANCIS MOWLI

MEMBERSHIP NO: GA 7492

DATE: _____

SELCOM PAYTECH LIMITED

**Practitioner's Compilation Report
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019, 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.....

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SELCOM PAYTECH LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 TZS	2018 TZS
Revenue	2	11,714,752,333	9,033,739,100
Cost of Sales	3	(4,655,713,653)	(4,607,460,321)
Gross Profit		<u>7,059,038,680</u>	<u>4,426,278,780</u>
Other Income	4	398,869,184	342,318,782
		<u>7,457,907,865</u>	<u>4,768,597,562</u>
Operating Costs			
Employment Cost	5	(2,501,307,304)	(2,190,762,260)
Administration Cost	6	(1,991,886,717)	(2,203,400,820)
		<u>(4,493,194,021)</u>	<u>(4,394,163,081)</u>
Operating Profit/ (Loss)		<u>2,964,713,843</u>	<u>374,434,481</u>
Finance Cost	7	(960,170,851)	(231,663,303)
Profit/ (Loss) Before Tax		<u>2,004,542,992</u>	<u>142,771,178</u>
Tax Credit/ (Charge)	8	(615,173,819)	(46,815,105)
Net Profit/ (Loss) for the Year		<u>1,389,369,173</u>	<u>95,956,073</u>

SELCOM PAYTECH LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 TZS	2018 TZS
NON CURRENT ASSETS			
Property, Plant & Equipment	12	2,976,929,004	2,854,393,155
Intangible Assest	13	112,449,624	94,587,717
		<u>3,089,378,627</u>	<u>2,948,980,872</u>
CURRENT ASSETS			
Inventories	10	21,186,441	25,336,739
Trade and Other Receivables	11	2,335,206,810	2,612,667,919
Due From Related Parties	17	723,694,575	
Tax Recoverable	20	-	113,017,641
Cash and Bank	14	6,879,631,238	5,178,301,938
		<u>9,959,719,064</u>	<u>7,929,324,237</u>
CURRENT LIABILITIES			
Bank Overdraft	16	7,826,359,195	7,967,378,406
Trade and Other Payables	15	3,609,739,624	2,143,949,836
Due to Related Parties	17	-	532,677,511
Taxation	20	268,327,181	-
		<u>11,704,426,000</u>	<u>10,644,005,752</u>
NET CURRENT ASSETS			
		<u>(1,744,706,936)</u>	<u>(2,714,681,515)</u>
NON CURRENT LIABILITIES			
Deferred Tax	16	60,049,341	54,462,566
Deferred Grants	18	85,158,718	85,158,718
		<u>145,208,059</u>	<u>139,621,284</u>
NET ASSETS			
		<u>1,199,463,632</u>	<u>94,678,073</u>
CAPITAL AND RESERVES			
Paid up Share Capital	19	200,000,000	200,000,000
Retained Earnings		999,463,632	(105,321,927)
		<u>1,199,463,632</u>	<u>94,678,073</u>

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

Director: _____

SELCOM PAYTECH LIMITED

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

	Share Capital	Retained Earnings	Totals
	TZS	TZS	TZS
Balance at 01 January 2019	200,000,000	(105,321,927)	94,678,073
Retained Profit for the Year	-	1,389,369,173	1,389,369,173
Prior Year adjustment	-	(284,583,614)	(284,583,614)
Balance at 31 December 2019	<u>200,000,000</u>	<u>999,463,632</u>	<u>1,199,463,632</u>

**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>

SELCOM PAYTECH LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 TZS	2018 TZS
<u>Cash flow from Operating Activities</u>			
Profit before Tax		2,004,542,992	142,771,178
Interest		888,431,883	165,862,036
Depreciation		360,110,363	344,910,812
Amortization	12	24,982,323	16,483,397
Operating Cash Flow before Working Capital Changes		2,993,483,947	670,027,422
<u>Changes in Working Capital</u>			
(Increase)/ Decrease in Inventories		4,150,298	(25,336,739)
(Increase)/ Decrease in Trade and Other Receivables		(446,233,466)	(1,988,557,919)
Increase/ (Decrease) in Trade and Other Payables		1,465,789,788	1,564,938,836
Related party balances		(532,677,511)	(2,524,471,489)
		491,029,110	(2,973,427,312)
Cash Flow from Operating Activities		3,484,513,057	(2,303,399,890)
Tax Paid	20	(228,242,222)	(372,456,179)
Net Cash Generated from Operating Activities		3,256,270,835	(2,675,856,069)
<u>Investing Activities</u>			
Acquisition of item of property, plant & Equipment		(482,646,211)	(638,567,967)
Acquisition of Intangible asset	12	(42,844,230)	(83,053,028)
Net Cash Utilised in Investing Activities		(525,490,441)	(721,620,995)
<u>Financing Activities</u>			
Grants Received		-	85,158,718
Interest paid		(888,431,883)	(165,862,036)
Net Cash Generated from Financing Activities		(888,431,883)	(80,703,318)
Net Increase/ (Decrease) in Cash and Cash Equivalent		1,842,348,511	(3,478,180,382)
Cash and Cash Equivalent at the Beginning of the Year		(2,789,076,468)	689,103,914
Cash and Cash Equivalent at the End of the Year	14	(946,727,957)	(2,789,076,468)

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS	2018 TZS
2 Revenue		
Float Access Charges (Float Cost)	287,656,825	29,482,840
Professional, Maintenance & Access Fees	1,185,404,280	189,848,283
SMS and USSD Charges	1,278,112,274	714,484,373
Spares, Accessories & Consumables	13,974,795	116,047,458
Transactions Processing Fees	8,949,604,159	7,983,876,146
	<u>11,714,752,333</u>	<u>9,033,739,100</u>
3 Cost of Sales		
Opening Stock	0	-
Purchases	21,186,441	25,336,739
Interchange Charges	3,745,021,358	4,607,460,321
Resource Maintenance Charges	82,685,593	-
Royalties and Levies	269,439,303	-
SMS	558,567,398	-
Closing Stock	(21,186,441)	(25,336,739)
	<u>4,655,713,653</u>	<u>4,607,460,321</u>
4 Other Income		
Discount Received	374,143,220	-
Grant Income	-	342,318,782
Foreign exchange gain	24,725,964	-
	<u>398,869,184</u>	<u>342,318,782</u>
5 Employment Cost		
Salaries and Wages	2,165,236,066	1,899,826,419
NSSF	210,523,608	183,565,543
SDL	97,435,623	85,488,994
Workers Compensation Fund	21,656,461	18,997,555
Other Staff Costs	6,455,546	2,883,749
	<u>2,501,307,304</u>	<u>2,190,762,260</u>
6 Administrative Costs		
Membership Fees	5,853,100	7,405,700
Clearing Charges	6,762,132	14,062,401
Shortcodes Annual Maint Fee	-	90,475,000
Transport, Conveyance & Courier	13,840,741	5,928,032
Work Permit Expense	23,813,450	6,041,500
Marketing & Advertisement	10,601,271	143,966,288
Compilation Fees	3,000,000	2,500,000
Freight Cost and Inspection Fee	-	2,256,830
City Service Levy	-	24,785,170
Software License Subscription Charges	26,711,077	97,580,500
Connectivity & Connection Charges	539,642,612	526,268,473
Stadium Security and Admin	48,142,793	6,688,103
Recruitment Cost	-	3,800,000
Office Expense	62,020,268	173,886,411
Mastercard Expenses	-	4,576,133
Insurance Charges	12,521,939	13,722,000
Sponsorship	59,255,000	-
Depreciation/Amortization	385,092,686	361,394,403
Donations	-	7,300,000
Rent & Maintenance	218,553,830	226,752,952
Legal, Professional & Compliance	488,266,234	266,578,250
Withholding tax on deemed Interest	466,243	-
Royalty	-	76,914,835
Travelling & Accommodation	87,343,343	52,750,678
Universal Service Levy	-	66,514,614
Forex (Gain)/Loss Unrealised	-	21,252,548
	<u>1,991,886,717</u>	<u>2,203,400,820</u>

SELCOM PAYTECH LIMITED

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019 TZS	2018 TZS
7 Finance Cost			
Bank Charges		71,738,968	65,801,267
Bank Interest		<u>888,431,883</u>	<u>165,862,036</u>
		<u>960,170,851</u>	<u>231,663,303</u>
8 Corporation Tax			
Current Tax	20	609,587,044	-
Deferred Tax (Credit)/Charge	18	<u>5,586,775</u>	<u>3,051,331</u>
Charge for the Year		<u>615,173,819</u>	<u>3,051,331</u>
9 Income Tax Reconciliation			
Profit before Tax		2,004,542,992	(618,394,251)
Tax @ 30%		601,362,898	-
Non Allowable Expenses		8,224,146	-
Deferred Tax		<u>5,586,775</u>	<u>-</u>
Charge for the Year		<u>615,173,819</u>	<u>-</u>
10 Trade and Other Receivables			
Stock In Trade		<u>21,186,441</u>	<u>-</u>
11 Trade and Other Receivables			
Trade Receivables		2,320,096,810	2,539,701,463
Prepayments		<u>15,110,000</u>	<u>72,966,456</u>
		<u>2,335,206,810</u>	<u>2,612,667,919</u>

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019					
Cost	141,781,836	3,015,066,413	161,137,652	260,850,066	3,578,835,967
Additions	19,149,949	455,966,262	7,530,000	-	482,646,211
Disposals	-	-	-	-	-
As at 31 December 2019	160,931,785	3,471,032,675	168,667,652	260,850,066	4,061,482,178
Depreciation					
As at 01 January 2019	58,873,153	571,913,921	93,655,738	-	724,442,812
Charge for the Year	29,529,446	321,787,416	8,793,500	-	360,110,363
Disposals	-	-	-	-	-
As at 31 December 2019	88,402,599	893,701,337	102,449,238	-	1,084,553,175
Net Book Values					
As at 31 December 2019	72,529,186	2,577,331,338	66,218,414	260,850,066	2,976,929,004
As at 31 December 2018	82,908,683	2,443,152,492	67,481,914	260,850,066	2,854,393,155

13 INTANGIBLE ASSETS

	2019	2018
COST		
Balance at 1 January 2019	112,673,477	29,620,449
Additions	42,844,230	83,053,028
Balance at 31 December 2019	155,517,707	112,673,477
AMORTIZATION		
Balance at 1 January 2019	18,085,760	1,602,363
Charge for the year	24,982,323	16,483,397
Balance at 31 December 2019	43,068,083	18,085,760
NET BOOK VALUE	112,449,624	94,587,717

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 TZS	2018 TZS
14 Cash and Bank Balances		
Cash in Hand	1,845,439	235,550
Cash at Bank	<u>6,877,785,799</u>	<u>5,178,066,388</u>
	<u>6,879,631,238</u>	<u>5,178,301,938</u>
Bank OD A/c - Barclays	<u>(7,826,359,195)</u>	<u>(7,967,378,406)</u>
	<u>(7,826,359,195)</u>	<u>(7,967,378,406)</u>
Cash & Cash Equivalent as 31st December	<u>(946,727,958)</u>	<u>(2,789,076,468)</u>
15 Trade and Other Payables		
Trade Payables	1,750,611,814	1,087,281,640
Other Creditors	705,864,606	164,363,831
Accrued Expenses	3,000,000	2,500,000
Statutory Payables	119,262,204	164,304,365
POS Deposit	<u>1,031,001,000</u>	<u>725,500,000</u>
	<u>3,609,739,624</u>	<u>2,143,949,836</u>
16 Bank Overdraft Facility		
Barclays Bank	<u>7,826,359,195</u>	<u>7,967,378,406</u>
	<u>7,826,359,195</u>	<u>7,967,378,406</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:		
	2019	2018
Rental expenses	156,477,966	51,722,319
License Fees	-	-
Purchase of assets	-	-
As at the year end, the following were the balances due to related parties:		
Professional Fees		
	2019	2018
Selcom Wireless Limited	717,750,944	469,563,192
Selcom Limited	<u>5,943,631</u>	<u>63,114,319</u>
	<u>723,694,575</u>	<u>532,677,511</u>
18 DEFERRED GRANTS		
	2019	2018
Deferred Grants - Mastercard Asia Pacific	85,158,718	85,158,718
	<u>85,158,718</u>	<u>85,158,718</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>

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

				2019 TZS
20 Corporation Tax Computation				
Profit/ (Loss) as per Accounts				2,004,542,992
Add:				
Depreciation	360,110,363	100%	360,110,363	
Amortization	24,982,323	100%	24,982,323	
Add: <u>Disallowed Expenses</u>				
Other Staff Costs	6,455,546	50%	3,227,773	
Connectivity & Connection Charges	539,642,612	10%	53,964,261	
			442,284,720	
			2,446,827,712	
Less: Wear and Tear Allowance (Class I, II & III)	Note 21		(383,767,358)	
Less: Wear and Tear Allowance (Class VII)	Note 22		(31,103,541)	
Adjusted Taxable Profit/ (Loss)			2,031,956,813	
ADD: Losses b/f			-	
Taxable Profit/(Loss) Chargeable			2,031,956,813	
Tax at 30%			609,587,044	
<u>Taxation Account</u>				
Balance at 01 January 2019			(113,017,641)	
Charge for the year				
Current Tax			609,587,044	
			609,587,044	
Tax Paid				
Provisional Tax Paid			(185,566,976)	
Withholding Paid			(42,675,246)	
Prior Year Tax			-	
			(228,242,222)	
Tax Payable/ (Recoverable)			268,327,181	

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 201921 Wear and Tear Allowance

	Class I 37.5% TZS	Class III 12.5% TZS	Total TZS
Tax WDV at 01 January 2019	72,060,841	2,333,010,230	2,405,071,071
Additions	19,149,949	463,496,262	482,646,211
Allowance Rate	91,210,790	2,796,506,492	2,887,717,282
	37.5%	12.5%	
Wear and Tear Allowance for the Year	(34,204,046)	(349,563,312)	(383,767,358)
Tax WDV at 31 December 2019	57,006,744	2,446,943,181	2,503,949,924

22 Wear & Tear - Intangible Asset

Details	Useful Life = 5 Years					
	Cost b/f/Addition	Residual b/f, Addition	Wear & Tear Allowance	Disposal adj to residue	Disposal adj to cost	Tax WDV c/f 31/12/2019
	TZS	TZS	TZS	TZS	TZS	TZS
			20%			
WDV as at 01/01/2019	112,673,477	112,673,477	(22,534,695)	-	-	90,138,782
2019	42,844,230	42,844,230	(8,568,846)			34,275,384
Total	155,517,707	155,517,707	(31,103,541)	-	-	124,414,166

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

23 Deferred Tax Calculation

	Class I	Class III	Class VII	Total
	TZS	TZS	TZS	TZS
Net Book Values (Cost)	72,529,186	2,643,549,752	112,449,624	2,828,528,561
Tax Written Down Values	57,006,744	2,446,943,181	124,414,166	2,628,364,090
Excess of Tax Allowances over Depreciation	15,522,442	196,606,571	(11,964,542)	200,164,472
Tax at 30% - (Asset)/ Liability	4,656,733	58,981,971	(3,589,363)	60,049,341
Balance at 01 January 2019				60,838,331
Charge/ (Credit) for the Year - Fixed Assets				(788,990)
Deferred Tax on Timing Differences				
Unrealised foreign exchange differences				-
Total				-
Deferred tax (asset) / liability timing differences				-
Balance at 01 January 2019				(6,375,765)
Charge / (Credit) on timing differences				6,375,765
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				60,049,341
Timing Difference - (Asset)/Liability				-
Taxable Loss - Asset				-
Deferred Tax Recoverable				60,049,341
Deferred Tax Charge for the Year				
Fixed Assets - Charge/(Credit)				(788,990)
Timing Difference - Charge/(Credit)				6,375,765
Taxable Loss - Charge				-
Charged to Income Statement				5,586,775