

SIHEBS TECHNOLOGIES

COMPANY LTD

P.O BOX 33073

DAR ES SALAAM

TANZANIA

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST, DECEMBER 2020

Source of income	Description	Amount in Tzs
Total Income	Income from Business or Investment	-58,031,125.75
	Deduct:	
	Unrelieved Losses from prior years	0.00
	Taxable Income/(Loss)	-58,031,125.75
	Tax rate	0.30
	Tax Liability	0.00
If the entity is liable to Alternative Minimum Tax	Current Year's Turnover	0.00
	Tax rate	0.005
	Tax Liability	0.00
Income from a Repatriated income of a Domestic Permanent Establishment	Repatriated income of a Domestic PE	0.00
	Tax rate	0.10
	Tax Liability	0.00
Income from Final Withholding Payments	Final Withholding Payments	0.00
	Tax on final withholding payments	0.00
	Tax Liability	0.00
Grand Tax Liability	Grand Tax liability	0.00
Deduct: Taxes already Assessed	Non-final withholding payments	0.00
	Final withholding payments	0.00
	Provisional Installments payments	4,200,000.00
	Total Taxes already Assessed	4,200,000.00
Additional tax Assessed (Discharged)		-4,200,000.00
Penalties and Interest	Interest for under estimation - Section 75 of TAA, 2015	0.00
	Penalty for late filing - Section 78 of TAA, 2015	0.00
	Penalty for non submission of SETPI Section 78 of TAA 2015	0.00
	Total Penalty and Interest	0.00
Total Additional Tax Assessed		0.00



ACKNOWLEDGEMENT RECEIPT

Filed by: Anthony Dawson Mallya
Declarant TIN: 108-176-342
Taxpayer Name: Sihebs Technologies Company Limited
Taxpayer TIN: 105-033-060
Return Type: Return Of Income For Entity - All Businesses Except Insurance, Banking, Mining Or Petroleum
Submitted on: 13 January 2021

ACKNOWLEDGEMENT OF RECEIPT

Thank you for using e-file services.

Tanzania Revenue Authority (TRA) hereby acknowledge that on 13 January 2021 received your document and assigned an e-document number 202010503306011221796 as per Regulation 72 of the Tax Administration (General) Regulations, 2016. Please quote this number in communication regarding this particular document.

"Together We Build Our Nation"

**Masawa Masatu Masawa
Regional Manager
Kinondoni Tax Region**

**P.O.BOX-9774, Dar es Salaam, Tanzania ,
Tel:022-2771841,022-2771846,022-2771859
Email :rm_kinondoni@tra.go.tz Website:www.tra.go.tz**



TANZANIA REVENUE AUTHORITY

DOMESTIC REVENUE DEPARTMENT

Notice of Self Assessment for Corporate Tax

TIN: 105-033-060 Year of Income: 2020
TAXPAYER NAME: SIHEBS TECHNOLOGIES COMPANY LIMITED Tax Type: Corporate Tax
BLOCK NO: Assessment No: F422552508
P.O.BOX: 33073 Date of Issue: 13 January 2021
POSTAL TOWN: DAR ES SALAAM

RE: RETURN OF INCOME FOR THE YEAR OF INCOME 2020

With reference to the provision of Section 91 of the Income Tax Act, Cap. 332 and Section 46 of the Tax Administration Act, 2015, your submitted return of income with reference number 202010503306011221796 has been assessed with a principal tax liability of TZS. 0.00 and penalty/interest of TZS. 0.00 as depicted in the table below;

You are required to effect payment on or before respective due dates as indicated below:

Tax Debit Number	GFS Codes	Amount	Due date for payment	Case Type
449651628	11121101	0.00	30 June 2021	PRINCIPAL

Please indicate the above Tax Debit Number, GFS Codes, Period indicator when registering payments using Tax Bank or SWIFT/TISS.

In case you are aggrieved with this assessment you may object by filing notice of Objection to the Commissioner General within 30 days from the date of service of the assessment in accordance with the provisions of section 51 of the Tax Administration Act, Cap. 438 read together with its Regulations.

"Together We Build Our Nation"

Masawa Masatu Masawa
Regional Manager
Kinondoni Tax Region



RETURN OF INCOME MADE ON BEHALF OF AN ENTITY
(Businesses other than Insurance, Banking, Mining or Petroleum Operations)

ITX203.03.F	SELECT ENTITY TYPE	Normal Entity
	Income of the corporation	
	Note: This return is filed under the provisions of Section 91 of the Income Tax Act, Cap. 332. You are required to make payment of income tax still to be paid for the year of income based on the declared income.	

Part 2: Information on the Profit and Loss
(All Businesses other than Insurance, Banking, Mining or Petroleum Operations)

S/N	Description	Amount in TZS
	Specific Income	
1	Gross Sales or turnover	1,825,233,727.00
2	Opening value of Trading stock	0.00
3	Purchases or direct costs	1,757,986,499.00
4	Closing value of Trading stock	0.00
5	Cost of goods sold (Row 2 plus 3 minus 4)	1,757,986,499.00
6	Gross profit from Specific Income (Row 1 minus 5)	67,247,228.00
	Other Income	
7	Rental income	0.00
8	Interest Income	0.00
9	Gain or loss from realization of depreciable assets of the business	0.00
10	Other Income	0.00
11	Total Other Income / (Loss) (Sum row 7 to 10)	-
12	Total Gross income / (Loss) (Row 6 plus 11)	67,247,228.00
	Expenses	
13	Environmental Expenditure	0.00
14	Research and Development expenditure	0.00
15	Marketing expenses	762,847.00
16	Professional/Consultancy fees	3,892,203.00
17	Management fees	0.00
18	Salaries and wages	0.00
19	Technical fees	0.00
20	Repairs and maintenance	0.00
21	Advertising and promotion	0.00
22	Transport and handling charges	3,701,000.00
23	Depreciation	1,676,063.00
24	Operating lease rentals	0.00
25	Other expenses	113,570,179.00
26	Total Expenses (Sum rows 13 to 25)	123,602,292.00
27	Profit or Loss before Interest and Tax (Row 12 minus 26)	(56,355,064.00)
28	Interest on borrowings	0.00
29	Finance lease interests	0.00
30	Profit or Loss after Interest (Row 27 minus 28 and 29)	(56,355,064.00)
	ADJUSTMENTS	
	Add:	
31	Loss from Agriculture Business (Row 59 of part 2, if row 59 of part 2 is less than 0, Row 61 of part 2 if row 61 of part 2 is greater than 0)	-
32	Loss from Speculative Transactions (Row 53 of part 2, if row 53 of part 2 is less than 0, Row 55 of part 2 if row 55 is greater than 0)	-
33	Depreciation (Row 23)	1,676,063.00
34	Increase in General Provisions	0.00
35	Loss on Disposal of Depreciable Assets	0.00
36	Expenses related to exempt income	0.00
37	Excess interest on an exempt controlled resident entity	0.00
38	Other non-allowable expenses/Inclusions	0.00

39	Subtotal (Sum of row 31 to 38)	1,676,063.00
	Deduct:	
40	Gross Income from Agriculture Business (Row 59 of part 2 if row 61 of part 2 is less than 0 and row 59 is greater than 0, Row 59, if row 61 of part 2 is greater than 0)	-
41	Gross Income from Speculative Transactions (Row 53 of part 2 if row 55 of part 2 is less than 0 and row 53 is greater than 0, Row 53 of Part 2 if row 55 of part 2 is greater than 0)	-
42	Excluded Income	0.00
43	Specific Exempt Income	0.00
44	Released General Provisions	0.00
45	Depreciation Allowance (Total from row 25e of Part 8)	1,676,061.75
46	Final Withholding Payments (Row 76 of Part 5)	-
47	Other Allowable deductions for the year	1,676,063.00
48	Subtotal (Sum of row 40 to 47)	3,352,124.75
49	Taxable Income/(Loss) (Row 30 add 39 minus 46) (Transfer to row 1 of part 10)	(58,031,125.75)
	Additional Schedules (Adjustments for Limitations)	
	Income from Speculative Transactions	
50	Gain from Speculative Transactions	0.00
	Deduct:	
51	Loss from Speculative Transactions	0.00
52	Other expenses attributable to Speculative Transactions	0.00
53	Net Gain/(Loss) from Speculative Transactions (Row 50 minus 51 and 52 if less than 0 transfer to row 32 of Part 2)	-
54	Unrelieved loss from previous year	793,574,878.00
55	Taxable Income/(Loss) from Speculative Transactions (Add Row 53 and 54 and if greater than 0 transfer row 55 to row 32 of part 2 and transfer row 53 to row 41 of part 2; if less than 0 transfer to row 56)	(793,574,878.00)
56	Total Unrelieved Loss to be Carried to the Next Year (If row 55 is less than 0, row 55, otherwise 0)	(793,574,878.00)
	Income from Agriculture Business	
57	Gross Income from Agriculture Business	0.00
	Deduct:	
58	Expenses attributable to Agriculture	0.00
59	Profit/Loss from Agriculture (Row 57 minus 58 and if less than 0 transfer to row 31 of Part 2)	-
60	Unrelieved loss from previous year	0.00
61	Taxable Income/(Loss) from Agriculture Business (Add Row 59 and 60 and if greater than 0 transfer row 61 to row 31 of part 2 and transfer row 59 to row 41 of part 2; if less than 0 transfer to row 62)	-
62	Total Unrelieved Loss to be Carried to the Next Year (If row 61 is less than 0, row 61, otherwise 0)	-
Part 3 – Information on the Statement of Financial Position (For All Businesses other than Banking, Insurance, Mining or Petroleum)		
S/N	ASSETS	Amount in TZS
1	Property, Plant and Equipment	10,519,748.00
2	Intangible Assets and Goodwill	0.00
3	Biological Assets	0.00
4	Trade and Other receivables	0.00
5	Investments	0.00
6	Deferred tax Assets	0.00
7	Other Non-Current Assets	0.00
8	Total Non-Current Assets (sum rows 1 to 7)	10,519,748.00
9	Trading Stocks	0.00
10	Work In Progress	0.00
11	Trade and Other debtors	17,304,003.00
12	Prepayments	102,345,049.00
13	Tax receivable	0.00
14	Inter-company balances	0.00
15	Cash and Bank balances	586,449,554.00
16	Other current assets	0.00
17	Total Current Assets (sum rows 9 to 16)	706,098,606.00

18	TOTAL ASSETS (sum row 8 and 17)		716,618,354.00
EQUITY			
19	Share Capital		10,000,000.00
20	Share premium		0.00
21	Revaluation reserve		0.00
22	Retained Earnings		(819,116,456.00)
23	Advance towards share capital		0.00
24	Other equity item		0.00
25	Total Equity (sum rows 19 to 24)		(809,116,456.00)
LIABILITIES			
26	Loans and borrowings		0.00
27	Debentures		0.00
28	Inter-company borrowings		0.00
29	Deferred Income/revenue		0.00
30	Deferred tax liabilities		0.00
31	Provisions		0.00
32	Other Non-Current liabilities		0.00
33	Total Non-Current Liabilities (sum rows 26 to 32)		-
34	Bank Overdraft		0.00
35	Current tax liabilities		0.00
36	Loans and borrowings		0.00
37	Trade and other payables		856,284,753.00
38	Inter-company balances		0.00
39	Deferred Income/revenue		0.00
40	Other Current liabilities		669,450,056.00
41	Total Current Liabilities (sum rows 34 to 40)		1,525,734,809.00
42	Total Liabilities (Sum row 33 and 41)		1,525,734,809.00
43	TOTAL EQUITY AND LIABILITIES (Sum row 25 and 42)		716,618,353.00

Part 4 - Information on Non Final Withholding Payments
(Payments received subject to Withholding Taxes under sections 82 and 83)

S/N	a) Nature of payment	b) Gross amount	c) Tax Rate	d) Tax to be withheld	e) Actual Tax withheld
1.	Rental	0.00	10%	-	0.00
2.	Professional fees	52,154,657.00	5%	2,607,732.85	2,607,732.85
3.	Dividends from foreign corporations	0.00	0%	-	0.00
4.	Interest	0.00	10%	-	0.00
5.	Royalties	0.00	15%	-	0.00
6.	Natural resources payments	0.00	15%	-	0.00
7.	Goods supplied to Government and its Institutions	0.00	2%	-	0.00
8.	Others	0.00	0%	-	0.00
9	Total	52,154,657.00		2,607,732.85	2,607,732.85

Part 5 - Information on Final Withholding Payments
(Payments received subject to Final Withholding Taxes under section 86)

S/N	a) Nature of payment	b) Gross amount	c) Tax Rate	d) Tax to be withheld	e) Actual Tax withheld
1	Dividends (Listed on DSM Stock Exchange)	0.00	5%	-	0.00
2	Dividends (Not Listed on DSM Stock Exchange)	0.00	10%	-	0.00
3	Management or technical service fee from extractive industry	0.00	5%	-	0.00
4	Interest from Unit Trust	0.00	10%	-	0.00
5	Commission on Money Transfer	0.00	10%	-	0.00
6	Others	0.00	0%	-	0.00
7	Total	-		-	-

Part 6: Foreign Source Business and Investment Income

S/N	Description	a)Business	b)Investment
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####	Turnover			0.00		0.00
####	Service Fees			0.00		0.00
####	Other Income			0.00		0.00
####	Total Gross Foreign Income (Sum rows 1 to 3)			-		-
	Deduct:					
####	Expenses Attributable to Foreign Income			0.00		0.00
####	Net Foreign Income/Loss (Row 4 minus row 5)			-		-
####	Unrelieved loss on foreign source income from previous year.			0.00		0.00
####	Taxable Foreign Income/Loss (Row 6 minus 7)			-		-
Part 7: Foreign Tax Credit						
S/N	Description			a)Business	b)Investment	
FOREIGN TAX CREDIT						
####	Tax at Average Tanzanian Rate <i>(if row 8 of part 6 is greater than 0, row 8 of part 6 times 30% otherwise 0)</i>			0.00		0.00
####	Current Year Foreign Tax Paid			0.00		0.00
####	Unutilized Tax Credit from Previous Year			0.00		0.00
####	Total Amount available for credit relief (Row 2 plus row 3)			-		-
####	Foreign Tax credit relief allowable during the year <i>(If row 4 is less than row 1, take row 4 otherwise take row 1)</i>			-		-
####	Unutilized Tax Credit to be carried to next Year <i>(If row 4 is greater than row 5, row 4 minus row 5 otherwise 0)</i>			-		-
Part 8: Depreciation Allowances						
A Depreciation Allowance for Class 1 – 3 Assets						
	Description	Class 1 (37.50%)	Class 2 (25%)	Class 3 (12.50)%	a)Total	
1	Rate	37.5%	25%	12.5%		
2	Opening balances	0.00	3,055,301.00	7,297,892.00	10,353,193.00	
3	Balance of cost relating to initial allowance for previous year.	0.00	0.00	0.00	-	
4	Additions	0.00	0.00	0.00	-	
5	Disposal	0.00	0.00	0.00	-	
6	Sub - Total (Sum row 2 to 4 minus row 5)	-	3,055,301.00	7,297,892.00	10,353,193.00	
7	Annual depreciation Allowance <i>(Row 1 times row 6)</i>	-	763,825.25	912,236.50	1,676,061.75	
8	Closing net book value (Row 6 minus row 7)	-	2,291,475.75	6,385,655.50	8,677,131.25	
B Depreciation Allowance for Class 5 - 8 Assets						
	Description	Class 5 (20%)	Class 6 (5%)	Class 7	Class 8 (100%)	b)Total
9	Rate	20%	5%		100%	
10	Opening Cost	0.00	0.00	0.00	0.00	-
11	Additions	0.00	0.00	0.00	0.00	-
12	Disposal	0.00	0.00	0.00	0.00	-
13	Sub - Total (Sum row 10 and 11 minus row 12)	-	-	-	-	-
14	Opening balance of accumulated depreciation.	0.00	0.00	0.00	0.00	-
15	Maximum amount available for Depreciation Allowance <i>(Row 13 minus 14)</i>	-	-	-	-	-
16	Allowance based on the depreciation basis <i>(Row 9 times row 13), not applicable for class 7</i>	-	-	0.00	-	-
17	Annual depreciation Allowance <i>(if row 15 is less than row 16, row 15 otherwise row 16)</i>	-	-	-	-	-
18	Closing balance of accumulated depreciation (Row 14 plus row 17)	-	-	-	-	-
C Initial Depreciation Allowance for Qualifying Assets Under Class 2 and 3						
	Description	Class 2	Class 3	c) Total		
19	Cost of Addition		0.00	0.00		
20	Total Initial depreciation allowance (Row 19 times 50%)		-	-	-	
21	Initial depreciation allowance for Current Year <i>(Row 20 times 50%)</i>		-	-	-	
22	Initial Allowance for Next Year <i>(Row 20 times 50%)</i>		-	-	-	

23	Balance of cost relating to initial allowance (Row 19 minus row 20)	-	-	-
		Class 2	Class 3	d) Total
24	Initial Allowance from previous year	0.00	0.00	-
				e) Total
25	Total depreciation allowance (Sum of Total row 7a, 17b, 21c and 24d)			1,676,061.75

Part 9: Repatriated Income of a Domestic Permanent Establishment

S/N	Description	Amount
	Net Cost of asset at the beginning of the year	
1	Net cost of depreciable assets at the beginning of the year	0.00
2	Net cost of other Assets at the beginning of the year	0.00
3	Market value of capital introduced during the year	0.00
4	Deduct: Net Incomings for liabilities at the beginning of the year	0.00
5	A) Net Cost of asset at the beginning of the year (Sum rows 1 to 3 minus row 4)	-
	Net total income	
6	Total Income (without deduction of unrelieved losses)	0.00
7	Tax payable on Total Income	0.00
8	B) Net total income (Row 6 minus 7)	-
	Net cost of asset at the end of the year	
9	Written down value of depreciable assets at the end of the year	0.00
10	Net cost of other assets at the end of the year	0.00
11	Deduct Net Incomings for the liabilities at the end of the year	0.00
12	Deduct: Unrelieved losses for the year of income (if no total income for the year)	0.00
13	C) Net cost of asset at the end of the year (Sum rows 9 to 10 minus 11 and 12)	-
14	Calculation of Repatriated Income (A plus B minus C) subject to Section 72(2))	-
15	Net total income for the year (Same figure as row 8)	-
16	Balance of Accumulated Profit account (Same figure as row 20)	-
17	Deduct: Unrelieved loss for the year where the PE has no total income for that year	-
18	Capping of Repatriated Income (Row 15 plus 16 minus row 17)	-
19	Repatriated Income for the year (Enter the lesser of Row 14 or row 18 as per sec 72(2) and Transfer total to row 5 of Part 11)	-
20	Balance of Accumulated Profit account at the beginning of the year (refer prior year workings)	0.00
21	Net total income for the year (Same figure as row 8)	-
22	Deduct: Repatriated Income for the year of income (Row 19)	-
23	Unrelieved loss for the year of income where there was no total income	0.00
24	Balance of Accumulated Profit account at the end of the year (Sum rows 20 to 23)	-

Part 10: Sources of Income and Tax Computation

SN	SOURCE OF INCOME	a) Chargeable Income	b) Tax Rate	c) Principal Tax
	Business and Investment Income			
1.	Income (other than Income from Insurance, Mining, Petroleum or Banking) - (Transfer from row 49 of Part 2)	(58,031,125.75)		
	Deduct:			
2.	Unrelieved Losses from prior years	0.00		
3.	Taxable Income/(Loss) (Row 1 minus 2)	(58,031,125.75)		
4.	Tax Liability (If row 3a is greater than zero, multiply row 3a by applicable tax rate; otherwise tax is zero)		30%	-
5.	Repatriated income of a Domestic Permanent Establishment- (Transfer from row 19 of Part 9)	-	10%	-
6.	Final Withholding Payments- (Transfer from row 7b of Part 5)	-		-
	If the entity is liable to Alternative Minimum Tax then fill row 7 below			
7.	Current Year Turnover multiply by applicable tax rate)	1,825,233,727.00	0.50%	9,126,168.64
8.	Total Tax Liability (Sum of row 4c, 5c, 6c and 7c)			9,126,168.64

	Deduct taxes paid			
9.	Tax deducted at source on non-final withholding payments <i>(Total from row 9e of Part 4)</i>			2,607,732.85
10.	Tax deducted at source final withholding payments <i>(Total from row 7e of Part 5)</i>			-
11.	Instalment tax payments			4,200,000.00
12.	Foreign Tax Credit			0.00
13.	Overpaid tax from previous years			0.00
14.	Total tax paid <i>(Sum of row 9c to 13c)</i>			6,807,732.85
15.	Net Tax Payable/ (Repayable) – <i>(Row 8c minus row 14c)</i>			2,318,435.79

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DIRECTORS' REPORTS

The directors present their report, together with the financial statements, on his Company for the year ended 31st December 2020 as stipulated by Section 94 of Income Tax Act, 2004 reading together with Section 37 of Tax Administration Act 2015.

Company Information

Company	SIHEBS TECHNOLOGIES COMPANY LTD P.O BOX 33073 Dar es Salaam, Tanzania.
TIN	105-033-066
Registered office	Ubungo Plaza Building, First Floor, East Wing Ubungo, Dar es salaam, Tanzania

Directors

The following were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- 1) Sebastian Bonaventura Mwamba
- 2) Siwangu Victor Mgata
- 3) Deborah Justus Masalu

Mr. Sebastian Bonaventura Mwamba continues to serve as company secretary.

Shareholders

Name of shareholder	Number shares	Number of called up shares	Value of shares called up	Value of unallocated shares called up
1) Sebastian Bonaventura Mwamba	20	50,000	1,000,000	-
2) Mng'ano Henry Makundi	1	50,000	50,000	-
3) Siwangu Victor Mgata	76	50,000	3,800,00	-
4) Deborah Justus Masalu	3	50,000	150,000	-
Total	100	50,000	5,000,000	-

Principal bankers: Akiba Commercial Bank, Ubungo Branch, A/c N0. 11000969817.

Principal activities: The principal activities of the company were to provide consultancy, site acquisition service and Information Technology and Computer services.

Company Vision

To provide world class quality products service at competitive prices backed by exceptional service and reliable product guarantees.

Company Mission

Our mission is to create Value for our customers through Reliability and Flexibility. We want our customers to experience the warmth and comfort through Respect and Trust.

Drawings

There was no amount paid as drawings during the current financial year.

Review of operations

The profit for the Company after providing for income tax amounted to TZS (56,355,064)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31st December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under United Republic of Tanzania laws.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Statement of directors' responsibilities

The Income Tax Act, 2004 of Tanzania requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors' to ensure that the Company maintain proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The directors also are responsible for safeguarding the assets of the Company.

The directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- (i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- (ii) selecting and applying appropriate accounting policies; and
- (iii) Making accounting estimates and judgments that are reasonable in the circumstances.

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

Nothing has come to the attention of the directors' to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 94 of the Income Tax Act 2004 is set out immediately after this directors' report.



Mr. Sebastian Bonaventura Mwamba

Director



MKUKI CONSULTANTS

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Audit Debt Management Services and Tax Consultancy
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INDEPENDENT AUDITORS' REPORT

To SIHEBS TECHNOLOGIES COMPANY LTD

We have audited the accompanying financial statements of SIHEBS TECHNOLOGIES COMPANY LTD as set out on pages 1 to 28, which comprise the Statement of Financial Position as at December 31st, 2020, Statement of Comprehensive Income, Statement of Change in Equity statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.

Owner's responsibility for the financial statements

Owner is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Matters Affecting Opinion

In common with many businesses of similar size and organization, the Person's system of internal control and financial sustainability is dependent upon close involvement of the owner. Where independent confirmation of the completeness of accounting records was therefore available, we have accepted assurances from the owner that all the Person's transactions have been reflected in the accounting records and adequately supported by relevant third party

documents. Also, where independent confirmation of the future financial sustainability of the Person is uncertain, we have accepted assurances from the owner that the Person will be able to secure financial resources to enable it to continue trading as a going concern in the foreseeable future.

Opinion

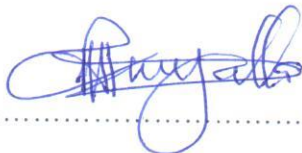
In our opinion, the accompanying financial statements give a true and fair view of the state of the Person's affairs as at December 31st, 2020 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002, Act No 12 of 2002.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Person's members as a body in accordance with the Companies Act, CAP 212 Act No. 12 of 2002 and for no other purposes.

As required by the Companies Act, CAP 212 Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Owner's Report is not consistent with the financial statements, if the Person has not kept proper accounting records, if the Person's financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding owner's remuneration and transactions with the Person is not disclosed.

In respect of the foregoing requirements, we have no matter to report.



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ANGELO BONIFACE MYALLA – ACPA 601

MKUKI CONSULTANTS

CERTIFIED ACCOUNTANTS & AUDITORS

(IN PUBLIC PRACTICE)



GENERAL INFORMATION

The financial statements cover Sihebs Technologies Company Ltd as a company. The financial statements are presented in Tanzania shillings, which is Sihebs Technologies Company Ltd functional and presentation currency.

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on January 10, 2021.

The directors have the power to amend and reissue the financial statements.

STATEMENT OF COMPREHENSIVE INCOME AS AT 31ST DECEMBER 2020

	Note	2020 TZS	2019 TZS
Sales	3	1,825,233,727	2,172,631,493
Other income	4	-	-
Total Revenue		<u>1,825,233,727</u>	<u>2,172,631,493</u>
Expenses			
Direct expenses/Cost of Goods Sold	21	1,757,986,499	2,104,094,050
Depreciation expense	9	1,676,063	2,060,990
Operating expenses	22	<u>121,926,229</u>	<u>147,331,642</u>
		<u>1,881,588,791</u>	<u>2,253,486,682</u>
Profit Before Income Tax Expense		(56,355,064)	(80,855,189)
Income tax expense		-	-
Profit After Income Tax Expense for the year		(56,355,064)	(80,855,189)
Other Comprehensive Income for the Year, Net of Tax		-	-
Total Comprehensive Income for the Year		<u>(56,355,064)</u>	<u>(80,855,189)</u>

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

Assets	Note	2020	2019
		TZS	TZS
Current assets			
Cash and cash equivalents	6	586,449,554	178,246,688
Prepayments(Expenses)	7	102,345,049	95,537,317
Trade Receivables	8	17,304,003	17,304,003
Total current assets		291,088,008	291,088,008
Non-current assets			
Property, plant and equipment	9	10,519,748	12,195,810
Total non-current assets		10,519,748	12,195,810
Total assets		716,618,353	303,283,818
Liabilities			
Current liabilities			
Income tax	10	-	-
Duties & Taxes	11	669,450,056	443,197,674
Trade Payables	12	856,284,753	612,847,535
Total current liabilities		1,525,734,809	1,056,045,209
Non-current liabilities			
Loan (Non Interest)		-	-
Total non-current liabilities		-	-
Total liabilities		1,525,734,809	1,056,045,209
Net assets		(809,116,456)	(752,761,391)
Equity			
Issued capital	13	10,000,000	10,000,000
Retained profits	14	(819,116,456)	(762,761,391)
Total equity		(809,116,456)	(752,761,391)

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

	Capital TZS	Retained profits TZS	Total equity TZS
Balance at January 01, 2020	10,000,000	(762,761,391)	(752,761,391)
Issued Capital	-	-	-
Profit Before Income Tax Expense for the year	-	(56,355,064)	(56,355,064)
Adjusted Taxes	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Balance at December 31st, 2020	<u>10,000,000</u>	<u>(819,116,456)</u>	<u>(809,116,456)</u>

	Capital TZS	Retained profits TZS	Total equity TZS
Balance at January 01, 2019	10,000,000	(681,906,203)	(671,906,203)
Issued Capital	-	-	-
Profit Before Income Tax Expense for the year	-	(80,855,189)	(80,855,189)
Adjusted Taxes	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Balance at December 31st, 2019	<u>10,000,000</u>	<u>(762,761,391)</u>	<u>(752,761,391)</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020	2019
		TZS	TZS
Cash flows from operating activities			
Profit Before Income tax		(56,355,064)	(80,855,189)
Adjustments for:			
– Depreciation	9	1,676,063	2,060,990
Changes in working capital (excl. the effects of Exchange Gain/Loss):			
– Increase in Receivable/Prepayments		(2,648,263,441)	(2,732,265,138)
– Increase in Trade and Other Payables		3,111,145,308	2,859,496,632
Cash Generated from Operations		408,202,866	48,437,295
Tax Paid		-	-
Net Cash Generated from Operations		408,202,866	48,437,295
Cash Flows from Investing Activities			
Payments for property, plant and equipment	9	-	-
Proceeds from disposal of property, plant and equipment		-	-
Proceeds from release of security deposits		-	-
Net Cash Used in Investing Activities		-	-
Cash Flows from Financing Activities			
Loan received		-	-
Capital Introduced	13	-	-
Net Cash Used in Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		408,202,866	48,437,295
Cash & Cash Equivalents at the Beginning of the Year		178,246,688	129,809,393
Cash & Cash Equivalents at the End of the Year	6	586,449,554	178,246,688

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

Note 1. Significant accounting policies

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

Basis of preparation

These are financial statements that have been prepared for the purposes of complying with Income Tax Act, 2004 requirements to prepare and file to Commissioner General of TRA. The Company has determined that the accounting policies adopted are appropriate to meet the needs of business.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the International Accounting Standards and Interpretations issued by the National Board of Accountants and Auditors ('NBAA') and the disclosure requirements of IAS Presentation of Financial Statements, Statement of Cash Flows, Accounting Policies IAS 8, Changes in Accounting Estimates and Errors, Interpretation of Standards' and International Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Foreign currency translation

The financial statements are presented in Tanzania shillings, which is Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Income from Company

As per Section 8 of Income Tax 2004,

1. A Company's income from a Company for a year of income is the Company's gains or profits from conducting the Company for the year of income.
2. Subject to the provisions of subsection (3), there shall be included in calculating a Company's gains or profits from conducting a Company for a year of income the following amounts derived by the Company from conducting the Company during the year of income;
 - a) service fees;

- b) incomings for trading stock;
 - c) gains from the realization of Company assets or liabilities of the Company as calculated under Division III of this Part;
 - d) amounts required to be included under paragraph 4 of the Third Schedule on the realization of the Company's depreciable assets of the Company;
 - e) amounts derived as consideration for accepting a restriction on the capacity to conduct the Company;
 - f) gifts and other ex gratia payments received by the Company in respect of the Company;
 - g) amounts derived that are effectively connected with the Company and that would otherwise be included in calculating the Company's income from an investment; and
 - h) Other amounts required to be included under Division II of this Part, Parts IV, V or VI.
3. The following are excluded in calculating a Company's gains or profits from conducting a Company;
- a) exempt amounts and final withholding payments; and
 - b) Amounts those are included in calculating the Company's income from any employment.

Income from Investment

As per Section 9 of Income Tax 2004,

1. A Company's income from an investment for a year of income is the Company's gains or profits from conducting the investment for the year of income.
2. Subject to the provisions of subsection (3), in calculating a Company's gains or profits from conducting an investment for a year of income the following amounts derived by the Company from conducting the investment during that year of income shall be included, namely;
 - a) any dividend, distribution of a trust, gains of an insured from life insurance, gains from an interest in an unapproved retirement fund, interest, natural resource payment, rent or royalty;
 - b) net gains from the realization of investment assets of the investment as calculated under Division III of this Part;
 - c) amounts derived as consideration for accepting a restriction on the capacity to conduct the investment; and
 - d) Other amounts required to be included under Division II of this Part, Parts IV, V or VI.
3. In calculating a Company's gains and profits from conducting an investment, the amounts shall be excluded, namely;
 - a) exempt amounts and final withholding payments; and
 - b) Amounts those are included in calculating the Company's income from any employment or Company.

Revenue recognition

The Company recognizes revenue as follows:

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of recognized and unrecognized deferred tax assets are reviewed at each reporting date. Deferred tax assets recognized are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognized deferred tax assets are recognized to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously. (As defined in IAS12 and IAS 1).

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognized when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. An incremental cost of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realizable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realizable value is the estimated selling price in the ordinary course of Company less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently premeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Depreciable Assets, Allowances, and Inclusions

As provided by Section 17 of Income Tax Act, 2004, For the purposes of calculating a Company's income for a year of income from any Company, there shall be deducted in respect of depreciation of depreciable assets owned and employed by the Company during the year of income wholly and exclusively in the production of the Company's income from the Company the allowances granted under the Third Schedule.

Paragraph 1(1) and 3(6) of Income Tax Act provides that, Depreciable assets and applicable depreciation rates are classified as follows:

CLASS	DEPRECIABLE ASSETS	RATE
1	Computers and data handling equipment together with peripheral devices; automobiles, buses and minibuses with a seating capacity of less than 30 passengers, goods vehicles with a load capacity of less than 7 tones; construction and earth-moving equipment.	37.5%
2	Buses with a seating capacity of 30 or more passengers, heavy general purpose or specialized trucks, trailers and trailer-mounted containers; railroad cars, locomotives, and equipment; vessels, barges, tugs, and similar water transportation equipment; aircraft; other self-propelling vehicles; Plant and machinery used in agriculture or manufacturing; specialized public utility plant, equipment, and machinery irrigation installations and equipment.	25%
3	Office furniture, fixtures and equipment; any asset not included in another Class.	12.5%
4	Natural resource exploration and production rights and assets referred to in subparagraph (3) in respect of natural resource prospecting, exploration and Development expenditure.	
5	Buildings, structures and similar works of a permanent nature used in agriculture, livestock farming or fishing farming.	20%
6	Buildings, structures and similar works of permanent nature other than those mentioned in Class 5.	5%
7	Intangible assets other than those in class 4.	1 divided by the useful life of the asset in the pool and rounded down to the nearest half year.
8	Plant and machinery (including windmills, electric generators and distribution equipment) used in agriculture and electronic fiscal device purchased by a non Value Added Tax registered trader, equipment used for prospecting and exploration of minerals and petroleum .	100%

As provided by Paragraph 1(2) each depreciable asset owned and employed by a Company during a year of income wholly and exclusively in the production of the Company's income from a particular Company shall be, at the time the asset is first owned and so employed, placed in a pool;

- a) in the case of a Class 1, 2, 3, 4, 5 or 8 depreciable asset other than one referred to in paragraph (c), with all other assets of the same Class so owned and employed by the Company in that Company;
- b) in the case of a Class 7 depreciable asset, of its own separately from other assets of that Class or any other Class; and
- c) in the case of a moveable tangible asset used by a Company who conducts a Company of land, sea or air transport operator or charterer to carry passengers, mail, livestock or other moveable tangible assets between different countries, of its own separately from other assets of any Class, and those pools are referred to as the Company's pools of depreciable assets for the year of income.

As provided by Paragraph 1(3), to the extent not otherwise provided, expenditure incurred by a Company wholly and exclusively in the production of the Company's income from a Company in respect of natural resource prospecting, exploration and development shall be treated as if it were incurred in securing the acquisition of an asset that is used by the Company in that production.

Initial allowance

As provided by Paragraph 2;

1. Subject to this paragraph, an allowance is granted to a Company for each item of plant or machinery;
 - a) that is,
 - (i) used in manufacturing processes and fixed in a company;
 - (ii) used in fish farming; or
 - (iii) used for providing services to tourists and fixed in a hotel; and
 - b) That is added to the Company's Class 2 or 3 pools of depreciable assets for a Company of the Company in accordance with paragraph 1(2).
2. The amount of the allowance granted for each asset under subparagraph (1) is calculated as 50 percent of the net cost of the asset at the time it is added to the pool.
3. The allowance granted to a Company under subparagraph (1) shall be available in two portions as follows:
 - a) The first portion shall be available in the year of income in which the asset is added to the Company's pool of depreciable assets; and
 - b) The remaining portion shall be available during the year of income following that in which the first portion is added, but not if the pool has been dissolved under paragraph 4 in the meantime.

Depreciation Allowance

As provided by Paragraph 3;

1. Subject to this paragraph, an allowance shall be granted to a Company for a year of income for each of the Company's pools of depreciable assets equal to the depreciation for the year of income of each pool calculated in accordance with subparagraphs (2), (7) and (8) of this Paragraph.
2. Depreciation for a year of income for each of a Company's pools of depreciable assets shall be calculated;
 - a) in the case of Class 1, 2 and 3 pools, according to the diminishing value method; and
 - b) in the case of Class 4, 5, 6 and 7 pools, according to the straight line method using the following formula: $A \times B \times C/365$

Where -

A is the depreciation basis of the pool at the end of the year of income;

B is the depreciation rate applicable to the pool; and

C is the number of days in the Company's year of income.

3. The depreciation basis of a Class 1, 2, 3 or 8 pool of depreciable assets of a Company at the end of a year of income is the total of;
 - a) the depreciation basis of the pool at the end of the previous year of income, if any, after deducting depreciation for that pool calculated under subparagraphs (2), (7) or (8) for that year of income; and
 - b) Amounts added to the depreciation basis of the pool during the year of income under subparagraph (5) in respect of additions to the cost of assets in or added to the pool, reduced, but not below zero, by incomings for the assets in the pool or that have been in the pool derived during the year of income.
4. The depreciation basis of a Class 4, 5, 6 or 7 pool of depreciable assets of a Company at the end of a year of income shall be the total of;
 - a) the depreciation basis of the pool at the end of the previous year of income; and
 - b) Amounts added to the depreciation basis of the pool during the year of income under subparagraph (5) in respect of additions to the cost of assets in or added to the pool, reduced, but not below zero, by incomings for the assets in the pool derived during the year of income.
5. Additions to the cost of a depreciable asset included in a Company's pools of depreciable assets are added to the depreciation basis of the Company's relevant pool at the time the asset is added to the pool as follows:
 - a) subject to item (b) of this paragraph at the time the asset is added to the pool in accordance with subparagraph (2) of paragraph (1) or the expenditure is incurred, whichever is later; or
 - b) In the case of an asset for which an initial allowance is granted under paragraph 2, twelve months after the time referred to in subparagraph (a).
7. If the depreciation basis of a pool of depreciable assets at the end of a year of income reduced by depreciation calculated under subparagraph (2) produces an amount that is less than TZS 1,000,000 additional depreciation of the pool shall be calculated as equal to that amount.
8. The allowance granted to a Company under subparagraph (1) for a year of income with respect to a Class 4, 5, 6 or 7 pool of depreciable assets shall not exceed the depreciation basis of the pool at the end of the

year of income reduced by all other such allowances granted to the Company in any previous year of income in respect of the pool.

9. For the purposes of calculating the depreciation basis of a pool of depreciable assets –
 - a) amounts to be added under subparagraph (5) in respect of an asset when it is added to the pool shall be reduced by any initial allowance available under paragraph 2 in respect of the asset, irrespective of the year of income for which the initial allowance is available; and
 - b) Expenditure incurred in acquiring a road vehicle, other than a commercial vehicle, to the extent that the expenditure exceeds TZS 30,000,000 the excess shall not be recognized.
10. For the purposes of this paragraph, “commercial vehicle” means;
 - a) a road vehicle designed to carry loads of more than half a tonne or more than thirteen passengers; or
 - b) A vehicle used in a transportation or vehicle rental Company.

Realization of Depreciable Assets

As provided by Paragraph 4;

1. The excess of;
 - a) incomings derived by a Company during a year of income for any assets that are or have been in a Class 1, 2, 3, 4, 5, 6 or 8 pool of depreciable assets of the Company during the year of income; over;
 - b) (i) or (ii), as appropriate;
 - (i) in the case of a Class 1, 2, 3 or 8 pool, the depreciation basis of the pool at the end of the year of income calculated under paragraph 3(3) but disregarding those incomings; or
 - (ii) In the case of a Class 4, 5 or 6 pools, the written down value of the pool at the end of the year of income calculated under subparagraph (4) but disregarding those incomings, shall be included in calculating the Company's income for that year of income from the Company in which the assets are or were employed.
2. Where the assets in a pool of depreciable assets of a Company are all realized by the Company before the end of a year of income, the pool shall be dissolved and;
 - a) an amount is included in calculating the Company's income for the year of income calculated in accordance with the following formula: **A – B**
Or
 - b) an allowance shall be granted to the Company for the year of income calculated in accordance with the following formula: **B – A**

- Where;

A is the Company's incomings derived during the year of income, or to be derived, for the assets; and

B is the sum of;

 - (i) the written down value of the pool at the end of the previous year of income; and
 - (ii) any initial allowance otherwise available in respect of the pool for the following year of income under paragraph 2; and
 - (iii) Expenditure added to the depreciation basis of the pool during the year of income or to be added during the following year of income under paragraph 3(5).

4. For the purposes of this section, "written down value" of a pool of depreciable assets at the end of a year of income means;
 - a) in the case of a Class 1, 2, 3 or 8 pool, the depreciation basis of the pool at the end of the year of income, if any, after deducting depreciation for that pool calculated under paragraph 3(2) and (7) for that year of income; or
 - b) In the case of a Class 4, 5, 6 or 7 pools, the depreciation basis of the pool at the end of the year of income reduced by all allowances granted to the Company under paragraph 3(1) for that year of income and any previous year of income in respect of the pool.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalized when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalized development costs are amortized on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognized when a customer pays consideration, or when the Company recognizes a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalized as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognized as a finance cost.

Employee benefits

IAS 19.120 requires the entity to recognize service cost and net interest on the net defined benefit liability (asset) in profit and loss account in accordance with IAS 1.

As provided by Section 7 of Income Tax Act, 2004;

1. An individual's income from an employment for a year of income shall be the individual's gains or profits from the employment of the individual for the year of income.
2. Subject to the provisions of subsection (3), (4) and (5) in calculating an individual's gains or profits from an employment for a year of income the following payments made to or on behalf of the individual by the employer or an associate of the employer during that year of income shall be included:
 - a) payments of wages, salary, payment in lieu of leave, fees, commissions, bonuses, gratuity or any subsistence travelling entertainment or other allowance received in respect of employment or service rendered;
 - b) payments providing any discharge or reimbursement of expenditure incurred by the individual or an associate of the individual;
 - c) payments for the individual's agreement to any conditions of the employment;
 - d) retirement contributions and retirement payments;
 - e) payment for redundancy or loss or termination of employment;
 - f) other payment made in respect of employment including benefits in kind quantified in accordance with section 27;
 - g) Other amounts as may be required to be included under Division II of this Part.
 - h) Annual director's fees payable to a director other than a full time service director.
3. In calculating an individual's gains or profits from an employment, the following shall be excluded ;
 - a) exempt amounts and final withholding payments;
 - b) on premises cafeteria services that are available on a non-discriminatory basis;
 - c) medical services, payment for medical services, and payments for insurance for medical services to the extent that the services or payments are;
 - (i) available with respect to medical treatment of the individual, spouse of the individual and up to four of their children; and
 - (ii) made available by the employer (and any associate of the employer conducting a similar or related Company) on a non-discriminatory basis;
 - d) Any subsistence, travelling, entertainment or other allowance that represents solely the reimbursement to the recipient of any amount expended by him wholly and exclusively in the production of his income from his employment or services rendered;
 - e) Benefits derived from the use of motor vehicle where the employer does not claim any deduction or relief in relation to the directorship, maintenance or operation of the vehicle;
 - f) Benefit derived from the use of residential premises by an employee of the Government or any institution whose budget is fully or substantially out of Government budget subvention;
 - g) Payment providing passage of the individual, spouse of the individual and up to four of their children to or from a place of employment which correspond to the actual travelling cost where the individual is domiciled more than 20 miles from the place of employment and is recruited or engaged for employment solely in the service of the employer at the place of employment;
 - h) Retirement contributions and retirement payments exempted under the Public Service Retirement Benefits Act; and

- i) Payment that it is unreasonable or administratively impracticable for the employer to account for or to allocate to their recipients.
 - j) Allowance payable to an employee who offers intramural private services to patients in a public hospital; and
 - k) Housing allowance, transport allowance, responsibility allowance, extra duty allowance, overtime allowance, hardship allowance and honoraria payable to an employee of the Government or an institution the budget of which is fully or substantially paid out of Government budget subvention.
4. In calculating an individual's gains or profit from payment for redundancy or loss or termination of employment, any payment received in respect of a year of income which expired earlier than five years prior to the year of income in which it was received, or which the employment or services ceased, if earlier such payment shall, for the purposes of calculation of the tax payable thereon, be allocated equally between the years of income in which it is received or, if the employment or services ceased in an earlier year between such earlier year of income and the five years immediately preceding such year of income in which such payment is so received or as the case may be, such earlier year of income in which the employment or services ceased, and each such portion, allocated to any such year of income shall be deemed to be income of that year of income in addition to any other income in that year of income.
5. Where amount received as compensation for the termination of any contract of employment or services, whether or not provision is made in such contract for the payment of such compensation;
- a) if the contract is for a specified term, the amount included in gains or profits shall not exceed the amount which would have been received in respect of the unexpired period of such contract and shall be deemed to have accrued evenly in such unexpired period;
 - b) if the contract is for an unspecified term and provides for compensation on the termination thereof, such compensation shall be deemed to have accrued in the period immediately following such termination at a rate equal to the rate per annum of the gains or profits from such contract received immediately prior to such termination; and
 - c) if the contract is for an unspecified term and does not provide for compensation on the termination thereof, any compensation paid on the termination thereof shall be deemed to have accrued in the period immediately following such termination at a rate equal to the rate per annum of the gains or profits from such contract received immediately prior to such termination, but the amount so included in gains or profits shall not exceed the amount of three years' remuneration at such rate.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognized when declared during the financial year and no longer at the discretion of the Company.

Value Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognized net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognized as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of Company for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Leases make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision

In determining the level of provision required for warranties the Company has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 3.Revenue

	2020	2019
	TZS	TZS
Sale of goods	<u>1,825,233,727</u>	<u>2,172,631,493</u>
Total Sales of Furniture	<u>1,825,233,727</u>	<u>2,172,631,493</u>

Note 4.Other Income

	2020	2019
	TZS	TZS
Income	-	-
Total Other income	<u>-</u>	<u>-</u>

Note 5.Expenses

	Note	2020	2019
		TZS	TZS
Profit before income tax includes the following expenses:			
Cost of sales			
Direct Expenses/ Cost of Goods Sold	21	<u>1,757,986,499</u>	<u>2,104,094,050</u>
Depreciation on;			
Computer & Accessories		-	-
Furniture & Fittings		912,237	1,042,556
Motor Vehicles		-	-
Machinery & Equipment		<u>763,826</u>	<u>1,018,434</u>
Total depreciation	9	<u>1,676,063</u>	<u>2,060,990</u>
Operating Expense			
Operating expenses(excluding employee benefits)	22	<u>121,926,229</u>	<u>147,331,642</u>
Employee benefits expense			
As per Regulation 42 Employment & Labour Regulations Act, 2004		<u>-</u>	<u>-</u>

Note 6. Current Assets - Cash & Cash Equivalents

	2020	2019
	TZS	TZS
Cash	-	-
Bank	586,449,554	178,246,688
	<u>586,449,554</u>	<u>178,246,688</u>

Note 7. Prepayments

	2020	2019
	TZS	TZS
Prepaid Tax Brought forward	36,774,177	36,774,177
Provision Tax	11,250,000	7,050,000
Withholding Tax On Sales	54,320,872	51,713,140
	<u>102,345,049</u>	<u>95,537,317</u>

Note 8. Trade Receivables

	2020	2019
	TZS	TZS
Avek Investment Company Ltd	1,440,000	1,440,000
Land Access Tanzania	195,000	195,000
Madaha Francis Mkama	59,000	59,000
Makini School	15,120,003	15,120,003
NewgenTZ	195,000	195,000
Tutandae Technologies Ltd	295,000	295,000
	<u>17,304,003</u>	<u>17,304,003</u>

Note 9. Non-Current Assets - Property, Plant and Equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Motor Vehicles	Equipment & Machinery	Computers & Accessories	Furniture & Fittings	Total
	TZS	TZS	TZS	TZS	TZS
Balance at January 01, 2020					
Additions	16,500,000	47,350,000	37,300,000	24,370,052	125,520,052
Disposals	-	-	-	-	-
Revaluation increments	-	-	-	-	-
December 31st, 2020	16,500,000	47,350,000	37,300,000	24,370,052	125,520,052
Accumulated Depreciation					
Rate of Depreciation	25%	25%	37.5%	12.5%	
At Beginning of the year	15,657,383	44,294,699	36,300,000	17,072,160	113,324,242
Depreciation for the period	-	763,825	-	912,237	1,676,062
Depreciation on Disposal	-	-	-	-	-
December 31st, 2020	15,657,383	45,058,524	36,300,000	17,984,397	115,000,304
Balance at December 31st, 2020	842,617	2,291,476	1,000,000	6,385,655	10,519,748

	Motor Vehicles	Equipment & Machinery	Computers & Accessories	Furniture & Fittings	Total
	TZS	TZS	TZS	TZS	TZS
Balance at January 01, 2019					
Additions	16,500,000	47,350,000	37,300,000	24,370,052	125,520,052
Disposals	-	-	-	-	-
Revaluation increments	-	-	-	-	-
December 31st, 2019	16,500,000	47,350,000	37,300,000	24,370,052	125,520,052
Accumulated Depreciation					
Rate of Depreciation	25%	25%	37.5%	12.5%	
At Beginning of the year	15,657,383	43,276,265	36,300,000	16,029,604	111,263,252
Depreciation for the period	-	1,018,434	-	1,042,556	2,060,990
Depreciation on Disposal	-	-	-	-	-
December 31st, 2019	15,657,383	4,4294,699	36,300,000	17,072,160	113,324,242
Balance at December 31st, 2019	842,617	3,055,301	1,000,000	7,297,892	12,195,810

Note 10. Current Liabilities - Income Tax

	2020	2019
	TZS	TZS
Income from Continuing Operations before Income Tax Expenses	(56,355,064)	(80,855,189)
Corporate Tax for the Year (30%)	-	-
Tax effect of:		
Unrelieved Loss from Previous	-	-
Tax Due During The Year	<u>(56,355,064)</u>	<u>(80,855,189)</u>

Note 11. Current Liabilities – Duties & Taxes

	2020	2019
	TZS	TZS
Paye Payable	13,350,612	9,285,012
SDL Payable	5,680,577	4,048,577
Stamp duty Payable	1,534,837	1,151,128
VAT Payable	1,805,214	-
Withholding Tax On Rent	15,348,372	11,511,279
Withholding Tax On Services	14,981,767	8,561,131
VAT – (Adjustments Interest & Penalties)	616,748,676	408,640,547
	<u>669,450,056</u>	<u>443,197,674</u>

Note 12. Current Liabilities – Trade Payables

	2020	2019
	TZS	TZS
NMB Plc Limited	645,956,130	459,380,433
Airtel Tanzania Ltd	6,961,579	6,961,579
City Levy Payable	9,797,205	4,321,504
Consultancy Payable	4,000,000	3,000,000
Craft Digitalia	1,475,000	1,475,000
Flugence Masawe	2,316,072	2,291,350
Gerald Mugabika	644,000	-
Gray Business Consultancy	8,500,000	8,500,000
Higher Learning Student Loans Board	11,823,992	11,823,992
Invention Technologies	7,557,570	-
MIC Tanzania	3,930,057	3,930,057
PPF & NSSF	28,042,493	20,362,493
RealCom Technologies	2,037,320	-
Reliance Insurance	991,200	991,200
Shabani Zakaria	9,900,000	9,900,000
Simbanet	5,727,460	-
Ubungo Plaza	105,322,991	78,992,244
WCF Payable	1,301,684	917,684
	856,284,753	612,847,535

Note 13. Equity - Issued Capital

	2020	2019
	TZS	TZS
At Beginning of Year	10,000,000	10,000,000
Add; Additional capital	-	-
Less; Drawings	-	-
Total	10,000,000	10,000,000

Note 14. Equity - Retained Profits

	2020	2019
	TZS	TZS
Retained profits at the beginning of the year	(762,761,391)	(681,906,203)
Income Tax Expenses	-	-
Profit after income tax expense for the year	<u>(56,355,064)</u>	<u>(80,855,189)</u>
Retained profits at the end of the year	<u>(819,116,456)</u>	<u>(762,761,391)</u>

Note 15. Equity – Drawings

There were no drawings paid during the current financial year.

Note 16. Remuneration of auditors

	2020	2019
	TZS	TZS
<i>Audit services</i>		
Audit of the financial statements	<u>1,000,000</u>	<u>1,000,000</u>
<i>Other services</i>		
Preparation of the tax return and other services	<u>2,892,203</u>	<u>1,205,000</u>
	<u>3,892,203</u>	<u>2,205,000</u>

Note 17. Contingent liabilities

The Company had no contingent liabilities as at 31st December 2020 and 31st December 2019.

Note 18. Commitments

The Company had no commitments for expenditure as at 31st December 2020 and 31st December 2019.

Note 19. Related Parties

The Company had no related transactions with related parties as at 31st December 2020 and 31st December 2019.

Note 20. Events After the Reporting Period

No matter or circumstance has arisen since 31st December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 21. Direct & Operating expenses

	2020	2019
Direct Expenses;	TZS	TZS
Clearing Charges	-	6,509,557
Purchases of Material	1,756,554,499	2,092,607,493
Hiring of Services Expenses	-	640,000
Transport Expenses – Site	1,432,000	4,337,000
	<u>1,757,986,499</u>	<u>2,104,094,050</u>

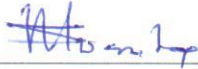
Note 22. Operating Expenses
Administrative Expenses;

	2020	2019
	TZS	TZS
Consultancy & Auditing Expenses	3,892,203	2,205,000
Car Running Expenses	3,701,000	17,615,500
Telephone/Postage/Internet Expenses	5,680,073	5,607,929
Rental Expenses	37,798,292	37,394,832
Office Expenses	3,538,004	4,044,774
Cleaning & Sanitation Expenses	180,000	1,000,000
Printing & Stationeries Expense	4,925,000	4,880,020
Insurance Expenses	-	356,000
Utility Expenses	2,979,173	2,891,355
Medical Expenses	235,000	165,300
Staff Welfare Expense	6,680,000	6,656,000
	69,608,745	82,816,710
Wages, Salaries & Employment Expenses;		
Salaries & Wages Expenses	38,400,000	45,432,346
	38,400,000	45,432,346
Finance Expenses;		
Bank Charges	955,538	1,385,293
Exchange Gain/Loss	83,689	24,197
	1,039,227	1,409,490
Statutory Expenses;		
Pension contributed by Employer	3,840,000	4,320,317
Annual Subscription & Registration Expenses	400,000	1,317,000
City Levy Expenses	5,475,701	6,517,895
Skill Development Levy Expenses	1,632,000	1,944,143
Stamp Duty	383,709	383,709
WCF Contribution	384,000	432,032
	12,115,410	14,915,096
Sales & Marketing Expenses;		
Advertising Expenses	50,847	1,168,000
Tender Fee	62,000	1,290,000
Web Hosting Expenses	650,000	300,000
	762,847	2,758,000
Total Operating Cost	121,926,229	147,331,642

DIRECTORS' DECLARATION

In the directors' opinion:

1. The Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached financial statements have been prepared for the purposes of complying with the Income Tax Act 2004 requirements to prepare and distribute financial statements to the directors business.
2. The attached financial statements and notes comply with the Income Tax Act 2004, the Accounting Standards as described in note 1 to the financial statements, and other mandatory professional reporting requirements;
3. The attached financial statements and notes give a true and fair view of the Company's financial position as at 31st December 2020 and of its performance for the financial year ended on that date; and
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Mr. Sebastian Bonaventura Mwamba
SIHEBS TECHNOLOGIES COMPANY LTD