DSE

Creating Opportunities

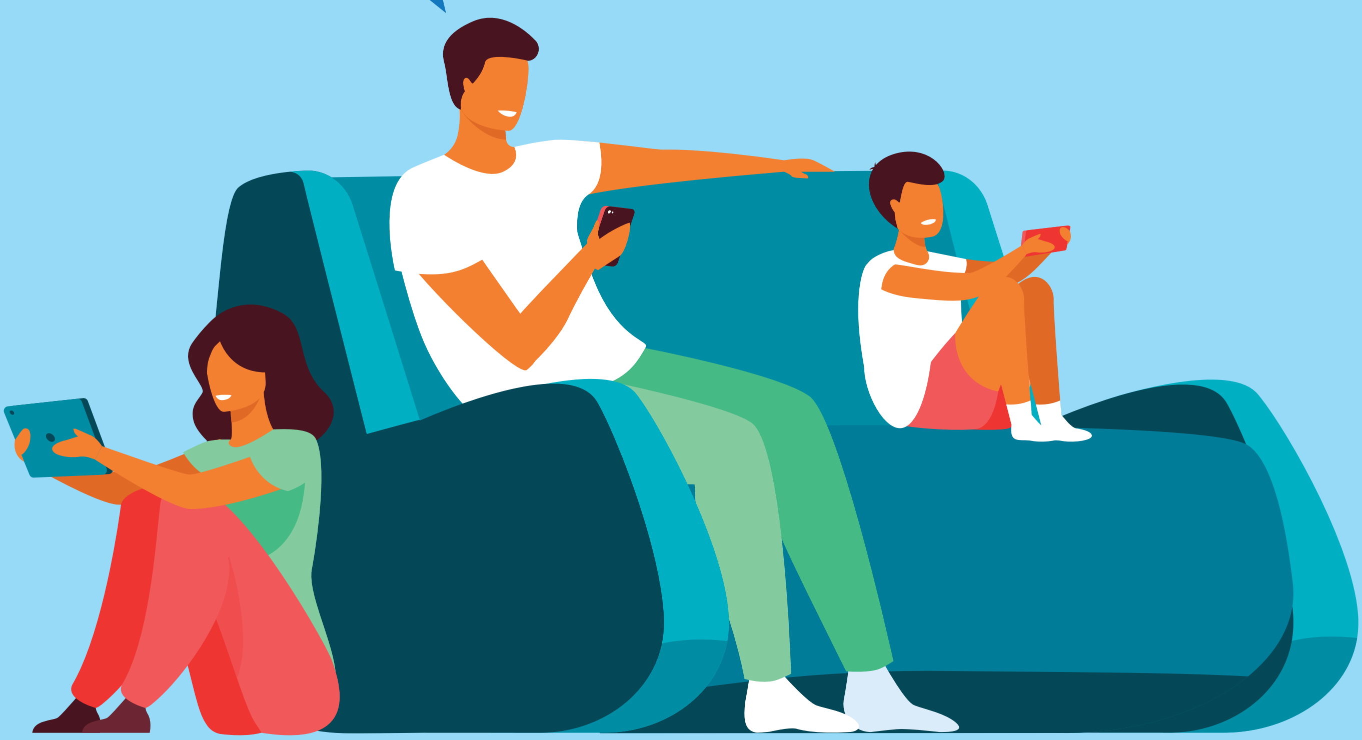
ANNUAL REPORT 2020

FOR THE YEAR ENDED 31 DECEMBER 2020

DSE
Creating Opportunities

DSE Hisa Kiganjani

Je wajua kwamba kiwango cha chini cha uwekezaji katika Soko la Hisa la DSM (DSE) ni Hisa 10 tu



Na je, unajua kwamba unaweza kutumia simu yako ya kiganjani kufanya uwekezaji huu?

Pakua sasa application ya DSE Hisa Kiganjani kupitia Playstore au piga *152*00# kisha chagua
1. Malipo ya Serikali halafu
6. DSE (kufungua akauti ya muwekezaji, kuuza na kununua Hisa)

www.dse.co.tz

GET IT ON Google Play

Table of Contents

Table of contents

Table of contents	Page No
Chairman's statement	1 – 2
CEO's statement	4 – 5
Directors' report	7 – 12
Statement of directors' responsibilities	13
Declaration of the head of finance	14
Independent auditor's report	15 - 18
Financial statements:	
Statement of profit or loss and other comprehensive income	19
Statement of financial position	20
Statement of changes in equity	21 - 22
Statement of cash flows	23
Notes to the financial statements	23 – 68

Introduction

On behalf of the Board of Directors of the Dar es Salaam Stock Exchange Plc (DSE) I am pleased to present to you the Annual Report and the Audited Financial Statements of the DSE for the financial year ended 31st December 2020. The 2020 financial year was the third year of implementation of the 2018-2022 DSE 5-Years Strategic Plan II.

Delivering on the Strategy

DSE is committed to creating value for our stakeholders, particularly the larger investment community that we serve. We remain steadfast to delivering value to our shareholders through a much-focused strategy which is broadly underpinned on three pillars: Innovation, Efficiency and Effectiveness.

The 2020 financial year was the third year of implementation of the 2018-2022 DSE 5-Years Strategic Plan II. In the year, the board guided the exchange to deliver in key strategic activities including the implementation of Micro-saving Products (M-Akiba bonds) and the launching and implementing the DSE Enterprise Acceleration Program aiming at, among other things, to create a database of potential issuance and listing entities. Despite the nascent nature of these products, the extent they have been received gives the Board confidence that they are going to make significant impact in investing, trading and listing in the near future. Enhancement of trading infrastructure including operationalization of automatic failover in Disaster Recovery Site (DRS) and implementation of infrastructure that will enable more retail participation in the market are at the center of our growth strategy and will continue to contribute to enhancing our service delivery and improve market liquidity.

The DSE continues to strengthen partnership and corporate social responsibility activities. Notably is alignment with the UN Sustainable Development Goals, particularly the goals relevant to stock exchanges. In 2020, the DSE joined the UN-Women, UN-SSE, UN-Global Compact, and WFE in Celebrating International Women Day by ringing the bell for Gender Equality on 29th April 2020.

Operating Environment and Financial Performance

Tanzania has continued to register robust economic growth coupled with a stable macroeconomic environment. In year 2020, the economy was adversely affected by the COVID-19 Pandemic but managed to register a gross domestic product (GDP) growth of 5.5 percent which is well above other regional economies. This was achieved thanks to the Government not imposing stringent mobility restrictions. The pandemic caused both local and foreign investors to adopt precautionary behaviors and the flow of funds to the exchange. However, while the flow of funds into equity instruments was adversely affected there was some gain in fixed income instruments as investors sought safety in these instruments.

In the backdrop of the COVID-19 global pandemic the Exchange experienced a slight decrease in performance in the stock market activity in equity segment (about 5%) but with an improved performance in the bonds trading of about 78% in trading values. The trading volume was 6% of domestic market capitalization for equity and 23% of outstanding bonds. I am delighted to report that, during the year 2020 DSE Group registered an improved performance with an after-tax profit of TZS 4,639 Million, which is an increase of 31% compared to after-tax profit of TZS 3,548 Million in year 2019. On shareholders' value enhancement, DSE attained a 19% return on equity and 17% return on assets translating to an earnings per share of TZS 197.44. Part of this value is going to be returned to shareholders in the form of the TZS 114.16 per share dividend (Previous year TZS 74.46) that has been recommended by the Board for approval by the Annual General Meeting.

Future Outlook and Sustainability

The Board is cautiously optimistic that the Exchange's performance will continue improving in the years ahead. The Board remains confident with the initiatives taken by the Government to combat the spread and the effect of COVID-19 will continue to diminish and allow the economy to stabilize and grow at projected pace.

The Exchange will continue to implement appropriate strategies to enhance growth and profitability as outlined in the DSE Five Year Strategic Plan. The main drivers of improved performance are derived from enhancement of pre-and post-trade transparency on equity and bonds as well as the DSE Enterprise Acceleration Program (DEAP). Improvement in ICT-mediated service delivery is expected in number of areas including request for quotation, Mobile Trading Platform trading (for equity and bonds), and BIST Online system.

The board has confidence in the management and the current Group CEO, who has provided outstanding leadership since the demutualization of the exchange. We consider the prevailing stability in the management team and continuous implementation of new business ideas as critical in the sustainability of the exchange.

Acknowledgement

I would like to express my appreciation to all stakeholders for their support and dedication including staff for their passion and dedication demonstrated during the year despite challenges encountered. We also remain indebted to our shareholders, investors and the Capital Market Security Authority for the constructive manner in which they engage with the Exchange in ensuring value delivery. The Government of the United Republic of Tanzania deserves special thanks for its steadfast support and cooperation and for maintaining conducive business environment, stable economic policies and political stability.

On behalf of the Board and the entire Exchange fraternity I would wish to express our heartfelt condolences on the recent passing on of H. E Dr. John Pombe Magufuli, the 5th President of the United Republic of Tanzania. May the Almighty God rest his soul in eternal peace. I would also like to take this opportunity to extend our sincere congratulations to the H. E. President Samia Suluhu Hassan and the Vice President Dr. Philip Isidori Mpango for assuming the highest two leadership positions in Tanzania.

Board Chairman

Dr. Ellinami Minja

BOARD OF DIRECTORS

Dr. Elinami Minja
Board Chairman

Mr. Moremi Marwa
Board Member - C.E.O

Dr. Abdiel Abayo
Board Member

Mr. Deogratias Laballa
Board Member

Mr. Fadhili J. Manongi
Board Member

Mr. Selestine J. Some
Board Member

Mr. Layson Mwanjisi
Board Member

Ms Beng'i Issa
Board Member

Mrs. Mary Mniwasa
Company Secretary

Introduction

I am pleased to present to you the highlight of the performance for the year 2020 in aspect of market and financial performance. The year 2020 was the third year of implementation of our Five-year Strategic Plan II (2018 - 2022).

In terms of market performance, trading value slightly decreased by 5 percent from turnover of TZS 625 billion in 2019 to a turnover of TZS 591 billion in 2020. However there was a significant increase in the bonds market segment, bonds turnover (in trading value) increased by 78 percent to turnover of TZS 2,124 billion in 2020 compared to 2019 turnover of TZS 1,091 billion.

Equity trading income accounted for 23 percent of our total revenue in 2020 compared to 27 percent in 2019, while bonds trading income accounted for 7percent in 2020 compared to 5 percent in 2019.

Total market capitalization went down by 12 percent from TZS 17,106 billion as of 31st December 2019 to TZS 15,095 billion as of 31st December 2020, this was due to decline in prices, especially for cross listed counters. On the other hand the Domestic Market capitalization increased by 2 percent, from TZS 9,011 billion in on 31st December 2019 to TZS 9,162 billion on 31st December 2020, major reasons for increase being the increase in share prices and valuations for some domestic listed companies coupled with the listing of JATU PLC and new shares on MUCOBA.

Outstanding Treasury bonds increased from TZS 10,532 billion as of 31st December 2019 to TZS 12,666 billion as of 31st December 2020. Corporate bonds decreased from TZS 176 billion to TZS 143 billion as of 31st December 2021.

Financial Performance

Total income grew by 22 percent from the revenue of TZS 8.39 billion in 2019 to the income of TZS 10.05 billion in 2020. The profit before tax increased to TZS 4.8 billion compared to a profit before tax of TZS 3.7 billion in 2019. This performance is due to revenue enhancement, management efforts and initiatives on the efficient management of costs; and prudence of our investment portfolio management.

Planned and Implemented Activities in Year 2020

During the year DSE implemented the following planned strategic initiatives: (i) The DSE launched the mobile Trading Platform; (ii) Enhanced pre-and post-trade transparency on equity and bonds trading; (iii) Experienced enhanced liquidity on both the equity and bonds segments; (iv) Listed new instruments in the market; (v) Coordinated and implemented the 2020 DSE Enterprise Acceleration Program (DEAP) (v) Launched various ICT systems project initiatives i.e. RFQ, MTP (for equity and bonds), BIST Online system, DSE SIC Platform, and DRS Automated Fail-over.

Outlook

In 2021 the DSE shall continue the overall delivery of the 2018 – 2022 Strategic Plan II which is embedded in the overall DSE objective of "providing a responsive securities exchange that promotes economic development through offering a range of attractive and cost-effective products and services".

More specific, in year 2021, the DSE Group focus will be on implementing the following key initiatives: (i) Pursue New Listings of Equities and Bonds; (ii) Commercialization of intellectual and property right of DSE; (iii) Ensure stability and sustainability of the ICT systems developed during the year 2020 i.e. RFQ, MTP, BIST Online system, DSE SIC Platform, and DRS Automated Fail-over; (iv) Engage with other stakeholders in the development and implementation of M-Akiba; (v) Encourage more banks to apply bonds dealership licenses and DSE membership; (vi) Post-trade Risk Management and Registry Services; (vii) Maintain Existing Controls and Enhancement of Risk Management Measures;(vii) Pursue measure that enhance liquidity creation.

Appreciation

I would like to thank all our stakeholders for their unwavering support in 2020 as we continue to work hard to build a more resilient and prosperous company. As we embark in 2021, I would like to thank my team at DSE for making 2020 a success and look forward to next phase of our journey.

I would like to thank all our stakeholders for their support and confident in the Management. I wish to sincerely thank the DSE Board of Directors for their steadfast leadership and guidance. I look forward to its wise counsel in the next phase of our growth. Last, but not least in the importance, the Government and its agencies particularly the Capital Markets and Securities Authority (CMSA), e-Government Authority (eGA), and Bank of Tanzania for their continuing support and to create conducive regulatory environment and support which has made DSE achieve what has been achieved in this year. I would also like to thank Financial Sector Deepening Trust (FSDT) for their partnership and support

Moremi Marwa

Chief Executive Officer

Date: 01/06/2021

MANAGEMENT

Mr. Moremi Marwa
Chief Executive Officer

Mr. Ibrahim Mshindo
Director of Business Development

Mrs. Mary Mniwasa
Chief Legal Counsel

Mr. Lucas Sinkala
Finance Manager

Mr. Ali Othman
Chief Technology Officer

Mr. Mecklaud Edson
Chief Internal Auditor

Mr. Benitho Kyando
Managing Director
DSE Subsidiary (CSDR)

Mr. Emmanuel Nyalali
Manager Special Assignment
C.E.O Office

1. INTRODUCTION

The Board of Directors of the Dar es Salaam Stock Exchange Plc ("DSE or Exchange") have the pleasure to present its report together with the audited financial statements for the year ended 31 December 2020 which discloses the state of affairs of the DSE and its subsidiary, CSD & Registry Company Limited (CSDR) (together "Group") as at that date.

2. INCORPORATION

The Dar es Salaam Stock Exchange Plc was incorporated in 1996 under the Tanzania Companies Act, 2002 (hereinafter, the Companies Act) as a limited liability company by guarantee (a mutual company). Operations of the DSE started in April 1998. On 26 June 2015, the Company changed its registration from mutual status to a company owned by shareholders (Public Limited Company) and subsequently changing its name from Dar es Salaam Stock Exchange Limited to Dar es Salaam Stock Exchange Plc and issued twenty shares of TZS 400 each. In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016.

3. VISION

To be the engine that fuels and finances economic developments and a national agent of change towards achieving Frontier Market Status (FMS) by attracting capital and investment.

4. MISSION

To maximise the wealth of shareholders by creating value propositions for all stakeholders, creating economic empowerment and an efficient allocation of capital.

5. PRINCIPAL ACTIVITIES

The principal activity of the DSE is to provide securities market to investors who intend to invest in the listed companies. The Exchange provides a platform that assists companies to raise capital through the issuance of equities and debt securities.

6. FINANCIAL PERFOMANCE

The Group profit for the year ended 31st December 2020 was TZS 4,639 Million (2019: TZS 3,548 Million).

7. CORPORATE GOVERNANCE

All board members, except the Chief Executive Officer (CEO), were non-executive. The Directors are committed to the principles of good corporate governance and recognize the need to conduct the business in accordance with general accepted best practice. In so doing the Directors therefore confirm that:

i. The Board met regularly throughout the period.
ii. It retains full and effective control over the Group and monitor executive management.
iii. The positions of Chairman and Chief Executive Officer (CEO) are held by two different people.
iv. Board accepts and exercises responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance.

8. BOARD OF DIRECTORS OF THE EXCHANGE

The Board of directors who held office during the period up to the date of this report were as follows:

Name	Position	Qualifications	Nationality	Age	Date appointed
Ms. Beng'i Mazana Issa	Non-Ex. Director	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian	54	9 August 2019
Mr. Selestine J. Some	Non-Ex. Director	MBA – Finance, B.Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian	45	9 August 2019
Dr. Abdiel Abayo	Non-Ex. Director	PhD.(Accounting and Finance), MBA, B.Com	Tanzanian	67	9 August 2019
Dr. Elinami Minja	Chairman	PhD. (Economics), CPA (T), MBA, B.Com (Accounting)	Tanzanian	56	20 March 2019
Mr. Layson Mwanjisi	Non-Ex. Director	ACPA, MBA, B.Com (Accounting)	Tanzanian	44	9 August 2019
Mr. Deogratias Laballa	Non-Ex. Director	MA in Revenue Law and Tax Administration, B.Com (Accounting), ACPA (T)	Tanzanian	45	2 July 2019
Mr. Fadhili J. Manongi	Non-Ex. Director	BA (Economics and Finance), MA-Development Economics	Tanzanian	66	11 July 2019
Mr.Moremi Marwa	CEO -Executive Director	MBA (Finance), ACPA, B.Com (Accounting)	Tanzanian	45	20 May 2013

9. DIRECTORS' REMUNERATION

The Group paid a total of TZS 165,075,002 as directors' fees (2019: TZS 121,200,000).

10. MEETINGS AND ACTIVITIES OF THE BOARDS

The board met 7 times during the period January 2020 to 31st December 2020 as indicated below

Name	14 February 2020	15 May 2020	17 June 2020	21 August 2020	21 September 2020	27 November 2020
Ms. Beng'i Mazana Issa	√	√	√	√	√	√
Mr. Deogratias Laballa	√	√	√	√	√	√
Mr. Moremi Marwa	√	√	√	√	√	√
Dr. Elinami Minja	√	√	√	√	√	√
Dr. Abdiel Abayo	√	√	√	-	-	√
Mr. Layson Mwanjisi	√	√	√	-	-	-
Mr. Fadhili Manongi	√	√	-	√	√	√
Mr. Selestine J. Some	√	√	√	-	-	√
Ms. Beng'i Mazana Issa	√	√	√	√	√	√

The board discussed and resolved matters recommended by its standing committees and provided directives to management on operational matters. The Board is supported by the following committees as at 31 December 2020

(a) Listing and Trading Committee (LTC)

Name	Position	Qualifications	Nationality
Dr. Abdiel Abayo	Chairperson	PhD.(Accounting and Finance), MBA, B.Com	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B.Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Mr. Layson Mwanjisi	Member	ACPA, MBA, B.COM(Accounting)	Tanzanian
Mr. Moremi Marwa	Member	MBA,ACPA, B.Com(Accounting)	Tanzanian

10. MEETINGS AND ACTIVITIES OF THE BOARD (CONTINUED)

The LTC Committee reports to the DSE Board. The LTC Committee met five (5) times during the period. The committee deliberated on different applications for listing.

(b) Finance and Administration Committee

Name	Position	Qualifications	Nationality
Ms. Beng'i Mazana Issa	Chairperson	ACPA, MSC.-in Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Dr. Abdiel Abayo	Member	PhD. (Accounting and Finance), MBA, B.Com	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B.Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Mr. Moremi Marwa	Member	MBA, ACPA , B.Com (Accounting)	Tanzanian

The Finance and administration Committee reports to the DSE Board. The FA Committee met four (4) times to discuss various issues on staff matters and application of the new associate members.

(c) Audit, Risk and Compliance Committee

Name	Position	Qualifications	Nationality
Mr. Deogratias Laballa	Chairperson	MA in Revenue Law and Tax Administration, B.Com (Accounting), ACPA	Tanzanian
Ms. Beng'i Mazana Issa	Member	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Mr. Fadhili Manongi	Member	BA (Economics and Finance), MA in Development Economics	Tanzanian
Mr.Moremi Marwa	Member	MBA,ACPA,B.Com (Accounting)	Tanzanian

Audit, Risk and Compliance Committee reports to the Board. ARC Committee met five (5) times during the period to discuss on various matters such as DSE Quarterly Financial Reports, Internal Audit Reports and DSE External Audit for the period ended 31st December 2020.

11. MANAGEMENT

The management of the DSE is under the Chief Executive Officer and organized on the following departments:

- Finance Department
- Legal Department;
- Business Development Department;
- Trading and Market Control Department;
- ICT Department
- Internal Audit Department.
- Human Resources and Administration Department
- Risk and Compliance Unit

12. SOLVENCY

The Board of Directors of the DSE confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board Members consider the DSE to be solvent within the meaning ascribed by the Tanzanian Companies Act, 2002.

13. KEY HIGHLIGHTS OF THE PERIOD

During the period, the operational performance of the exchange was as highlighted on the table below:

Particular	**As at and for the year ended 31 December 2020**	As at and for the year ended 31 December 2019
Market capitalization (TZS billions)	**15,095**	17,105
Domestic Market capitalization (TZS billions)	**9,162**	9,011
Value of shares traded (TZS billions)	**591**	625
Value of bonds traded (TZS billions)	**2,070**	1,092
All shares index (DSEI) Points	**1,817**	2,059
Tanzania share index (TSI) Points	**3,485**	3,431
Value of outstanding listed bonds (TZS billions)	**12,666**	10,460

14. SCOPE OF BUSINESS

The DSE is a duly approved Exchange under Capital Markets and Securities Act, 1994 (Cap 79). It is a modern securities exchange providing full electronic trading, clearing and settlement of securities (shares and bonds). It is also a Self-Regulatory Organization (SRO) for the purpose for maintaining the integrity of the market and plays a role of educator on matters relating to capital markets.

15. SCOPE OF REPORT

The annual report for the year ended 31 December 2020 presents a set of annual reports and financial statements for the period starting 01 January 2020 to 31 December 2020. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in addition, they comply with the provisions of the Companies Act, 2002.

16. CAPITAL STRUCTURE

Dar es Salaam Stock Exchange Plc (DSE) was incorporated in 1996 under the Tanzanian Companies Act, as a body corporate (limited by guarantee). The Exchange was created, among other things, to facilitate the Government's implementation of the economic reforms and enabling the private sector to raise long term capital. DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Plc and issued twenty shares of a nominal value of TZS 400 each on 29th July 2015. In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

16. CAPITAL STRUCTURE (CONTINUED)

DSE's shareholding structure as of 31st December 2020 is as below;

S/N	Shareholder	Number of Shares	Percentage of Share holding
1	The Government of Tanzania through Treasury Registrar	3,574,000	15%
2	SCB (T) NOMINEE RE SCB Mauritius A/C Briarwood Chase Management LLC A/C Briarwood Capital Partners LP	2,848,314	12%
3	Zanzibar Social Security Fund	2,000,000	8%
4	African Lions Fund Ltd.	1,646,472	7%
5	General Public	13,755,214	58%
	Total	**23,824,000**	**100%**

17. RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

The Board assessed the internal control systems throughout the financial year ended 31 December 2020 and is of the opinion that they met the accepted criteria.
The Board carries risk and internal control assessment through the Audit, Risk and Compliance Committee.

18. CORPORATE SOCIAL RESPONSIBILITY

DSE played its role in the society during the period, DSE enabled students from higher learning institutions to access its actual data and virtual trading platform to learning practically on how to save and invest via a Stock Exchange, and this was executed as part of the public education campaign through its DSE Scholar Investment Challenge Programme.

19. EMPLOYEES WELFARE

Health and Medical Care

The DSE provides medical insurance to staff and their families through AAR Insurance (T) Limited medical services which its contract ended on 31st October 2020.Thereafter, Strategies Insurance (Tanzania) Limited medical services took over.This is a renewable one-year contract. During the period, services received from the service providers were generally satisfactory.

Staff Complement

As at 31st December 2020, the DSE had 23 employees, out of which 8 were female and 15 were male. In 2019 a total 21 staff; 8 staff were female and 13 were male.

20. AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office in accordance with Section 170 (2) of the Tanzania Companies Act, 2002. Appointment of auditors for the year ending 31 December 2021 will be done at the Annual General Meeting.

BY ORDER OF THE BOARD

Approved by the Board of Directors on _______________ and signed on its behalf by:

....	03-06-2021
Dr. Elinami Minja	**Date**
....	01/06/2021
Mr. Moremi Marwa	**Date**

The Companies Act, No. 12 of 2002 requires 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 financial year and of its profit or loss for the year. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, No. 12 of 2002. 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 and of its profit in accordance with International Financial Reporting Standards (IFRS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as 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.

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.

Signed on behalf of the Board of Directors by:

....	03-06-2021
Dr. Elinami Minja	**Date**
....	01/06/2021
Mr. Moremi Marwa	**Date**

DECLARATION OF THE HEAD OF FINANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Directors Responsibilities on an earlier page.

I, Lucas Sinkala being the Head of Finance of Dar es Salaam Stock Exchange Plc hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 have been prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, No 12 of 2002.

I thus confirm that the financial statements give a true and fair view of the financial performance of Dar es Salaam Stock Exchange Plc for the year ended 31 December 2020 and its financial position as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Name: Lucas Sinkala.

Position: Finance Manager

NBAA Membership No.: ACPA 3689

Date: 02/06/2021

Report on the audit of the Group and Company financial statements

Our opinion

In our opinion, the Group and Company financial statements give a true and fair view of the Group and Company financial position of Dar es Salaam Stock Exchange Plc (the Company) and its subsidiaries (together the Group) as at 31 December 2020, and of its Group and Company financial performance and its Group and Company cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002.

What we have audited

Dar es Salaam Stock Exchange Plc's Group and Company financial statements as set out on pages 18 to 65 comprise:

- the Group and Company statements of financial position as at 31 December 2020;
- the Group and Company statements of profit or loss and other comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Group and Company financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group and Company financial statements of the current period. We have determined that there are no such matters to report.

Report on the audit of the Group and Company financial statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the Chairman's statement, CEO's Statement, Directors' report, Statement of directors' responsibilities and Declaration of head of finance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Group and Company financial statements

The directors are responsible for the preparation of the Group and Company financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Group and Company financial statements

Our objectives are to obtain reasonable assurance about whether the Group and Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group and Company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Group and Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on the audit of the Group and Company financial statements (continued)

Auditor's responsibilities for the audit of the Group and Company financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Group and Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and Company financial statements, including the disclosures, and whether the Group and Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group and Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

As required by the Companies Act, No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the 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 directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

Cletus Kiyuga, ACPA-PP

For and on behalf of PricewaterhouseCoopers

Certified Public Accountants
Dar es Salaam

Date: 09/06/2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		Year ended 31 December 2020	Year ended 31 December 2019	**Year ended 31 December 2020**	Year ended 31 December 2019
	Notes	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Revenue from contract with customers	7	**7,464,358**	6,408,667	**5,777,320**	4,882,850
Other income	8	**172,221**	344,236	**279,871**	342,290
Information technology costs	10(a)	**(599,642)**	(636,207)	**(472,744)**	(480,870)
Staff costs	9	**(2,984,246)**	(2,628,436)	**(2,309,549)**	(2,012,198)
Office rent	10(b)	**-**	(23,042)	**-**	(20,161)
Depreciation and amortisation	13,15&16	**(240,666)**	(226,191)	**(224,795)**	(210,712)
Expected credit losses	6a	**(23,913)**	(39,389)	**(12,989)**	(16,773)
Other expenses	10(c)	**(553,072)**	(221,237)	**(214,480)**	(180,136)
Operating expenses	10(d)	**(844,165)**	(930,134)	**(624,405)**	(675,409)
Operating profit		**2,390,875**	2,048,267	**2,198,229**	1,628,881
Finance income	11	**2,416,186**	1,638,052	**2,334,840**	1,599,308
Operating profit before tax		**4,807,061**	3,686,319	**4,533,069**	3,228,189
Income tax expense	12(a)	**(168,016)**	(138,339)	**-**	-
Net profit for the year		**4,639,045**	3,547,980	**4,533,069**	3,228,189
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation loss		**-**	(129,209)	**-**	(129,209)
Total comprehensive income		**4,639,045**	3,418,771	**4,533,069**	3,098,980
Basic earnings per share (TZS)	28	**194.72**	148.92	**190.27**	135.50
Diluted earnings per share (TZS)	28	**194.72**	148.92	**190.27**	135.50

The notes on pages 23 to 65 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company	
		2020	2019	**2020**	2019
ASSETS	**Notes**	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Non-current assets					
Property and equipment	13	**86,060**	259,354	**76,050**	249,521
Non-current prepayment	14	**2,819,584**	2,819,584	**2,819,584**	2,819,584
Intangible asset	15	**263,367**	86,726	**244,515**	55,966
Leasehold land and building	16	**326,986**	331,000	**326,986**	331,000
Investment in subsidiary	17	**-**	-	**100,000**	100,000
Deferred tax asset	12(b)	**8,207**	4,744	**-**	-
		3,504,204	3,501,408	**3,567,135**	3,556,071
Current assets					
Trade receivables	18a	**2,796,215**	1,018,408	**1,958,723**	724,955
Other receivables	18b	**208,235**	162,167	**329,468**	395,283
Government securities -Amortized cost	19(a)	**4,895,956**	3,264,952	**4,895,956**	3,264,952
Loan to DSE Saccos – Amortized cost	19(b)	**143,190**	-	**143,190**	
Short term deposits- amortized cost	20	**16,645,949**	16,422,335	**16,072,910**	15,603,078
Cash and cash equivalents	21	**216,094**	183,214	**162,922**	177,475
Restricted bank balance	21	**14,236**	5,596	**14,236**	5,596
		24,919,875	21,056,672	**23,577,405**	20,171,339
TOTAL ASSETS		**28,424,079**	24,558,080	**27,144,540**	23,727,410
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**9,529,608**	9,529,608	**9,529,608**	9,529,608
Share premium	24	**1,850,374**	1,850,374	**1,850,374**	1,850,374
Retained earnings		**13,310,328**	10,439,229	**12,544,666**	9,779,543
Revaluation surplus		**200,169**	205,219	**200,169**	205,219
Car loan fund	22	**35,000**	35,000	**35,000**	35,000
		24,925,479	22,059,430	**24,159,817**	21,399,744
Non-current liabilities					
Capital grants	23(a)	**1,257,229**	1,102,316	**1,257,229**	1,102,316
		1,257,229	1,102,316	**1,257,229**	1,102,316
Current liabilities					
Revenue grant	23(b)	**110,789**	31,514	**110,789**	31,514
Contract liabilities	25(a)	**766,032**	682,942	**766,032**	682,942
Trade and other payables	25(b)	**1,259,581**	675,236	**850,673**	510,894
Current income tax	12(a)	**104,969**	6,642	**-**	-
		2,241,371	1,396,334	**1,727,494**	1,225,350
TOTAL EQUITY AND LIABILITIES		**28,424,079**	24,558,080	**27,144,540**	23,727,410

The financial statements on page 18 to 65 were approved by the board of directors and signed on its behalf by;

.... 03-06-2021
Dr. Elinami Minja **Date**

.... 01/06/2021
Mr. Moremi Marwa **Date**

STATEMENT OF CHANGES IN EQUITY

GROUP	Share capital	Share premium	Car loan fund	Retained earnings	Revaluation	
Year ended 31 December 2020	(Note 24)	(Note 24)	(Note 22)		surplus (Note 16)	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
At 01 January 2020	**9,529,608**	**1,850,374**	**35,000**	**10,439,229**	**205,219**	**22,059,430**
Transaction with owners						
Dividend paid	-	-	-	(1,772,996)	-	(1,772,996)
	-	-	-	(1,772,996)	-	(1,772,994)
Other comprehensive income						
Profit for the period	-	-	-	4,639,045	-	4,639,045
Depreciation transfer	-	-	-	5,050	(5,050)	-
Total comprehensive income	-	-	-	4,644,095	(5,050)	4,639,045
At 31 December 2020	**9,529,608**	**1,850,374**	**35,000**	**13,310,328**	**200,169**	**24,925,479**
GROUP						
At 01 January 2019	9,529,608	1,850,374	35,000	7,773,326	331,195	19,519,503
Transaction with owners						
Dividend paid	-	-	-	(878,844)	-	(878,844)
	-	-	-	(878,844)	-	(878,844)
Other comprehensive income			-			
Profit for the period	-	-	-	3,547,980	-	3,547,980
Revaluation loss	-	-	-	-	(129,209)	(129,209)
Depreciation transfer	-	-	-	(3,233)	3,233	-
Total comprehensive income	-	-	-	3,544,747	(125,976)	3,418,771
At 31 December 2019	9,529,608	1,850,374	35,000	10,439,229	205,219	22,059,430

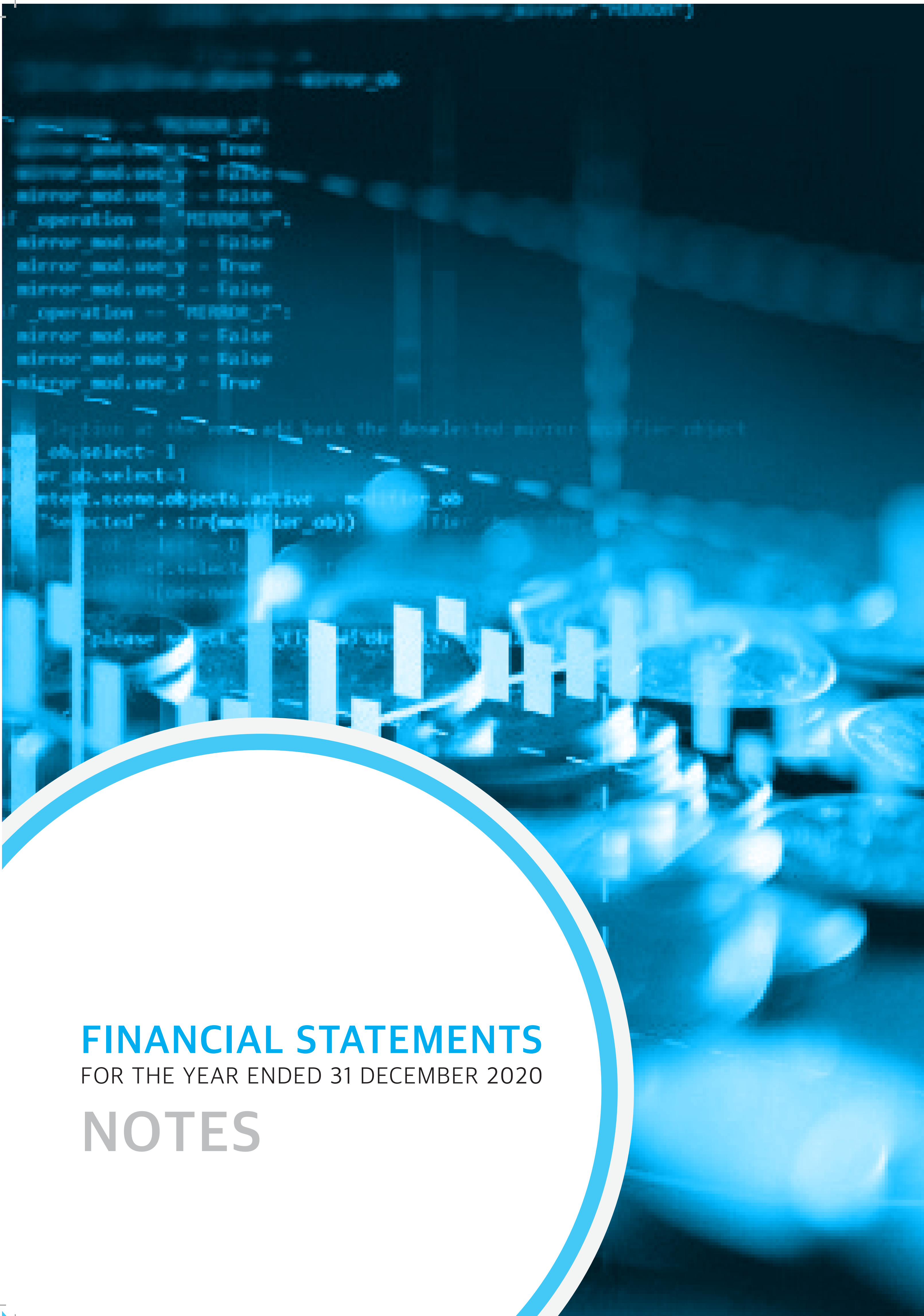
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Share premium	Car loan fund	Retained earnings	Revaluation	
	(Note 24)	(Note 24)	(Note 22)		Surplus (Note 16)	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
COMPANY						
At 01 January 2020	**9,529,608**	**1,850,374**	**35,000**	**9,779,543**	**205,219**	**21,399,744**
Transactions with owners						
Dividend paid	**-**	**-**	**-**	**(1,772,996)**	**-**	**(1,772,996)**
	-	**-**	**-**	**(1,772,996)**	**-**	**(1,772,996)**
Other comprehensive income						
Profit for the year	**-**	**-**	**-**	**4,533,069**	**-**	**4,533,069**
Revaluation loss	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation transfer	**-**	**-**	**-**	**5,050**	**(5,050)**	**-**
Total comprehensive income	**-**	**-**	**-**	**4,538,119**	**-**	**4,533,069**
At 31 December 2020	**9,529,608**	**1,850,374**	**35,000**	**12,544,666**	**200,169**	**24,159,817**
COMPANY						
At 1 January 2019	9,529,608	1,850,374	35,000	7,433,431	331,195	19,179,608
Transactions with owners						
Dividend paid	-	-	-	(878,844)	-	(878,844)
				(878,844)		(878,844)
Other comprehensive income						
Profit for the year	-	-	-	3,228,189	-	3,228,189
Revaluation loss	-	-	-	-	(129,209)	(129,209)
Depreciation transfer	-	-	-	(3,233)	3,233	-
Total comprehensive income	-	-	-	3,224,956	(125,976)	3,098,980
At 31 December 2019	9,529,608	1,850,374	35,000	9,779,543	205,219	21,399,744

STATEMENT OF CASH FLOWS

	Notes	Group		Company	
		Year ended 31 December 2020 TZS'000	Year ended 31 December 2019 TZS'000	**Year ended 31 December 2020 TZS'000**	Year ended 31 December 2019 TZS'000
OPERATING ACTIVITIES					
Profit before taxation		**4,807,061**	3,686,319	**4,533,069**	3,228,189
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation and amortisation		**240,666**	226,192	**224,795**	210,712
Amortisation of grant	23a	**(63,840)**	(234,992)	**(63,840)**	(234,992)
Amortisation of revenue grant	23b	**(49,787)**	(63,090)	**(49,787)**	(63,090)
Interest income	11	**(2,416,186)**	(1,638,052)	**(2,334,840)**	(1,599,308)
Income tax paid		**(73,150)**	(178,665)	**-**	-
Cash flows before changes in working capital items		**2,444,764**	1,797,712	**2,309,397**	1,541,511
Changes in working capital items:					
Trade receivables		**(1,777,807)**	(421,352)	**(1,233,768)**	(274,881)
Other receivables		**(46,068)**	(46,097)	**65,815**	(266,846)
Contract liabilities		**83,090**	116,909	**83,090**	116,909
Cash held in restricted deposits	21	**(8,640)**	2,611	**(8,640)**	2,611
Trade and other payables		**584,345**	40,634	**339,776**	(46,728)
Net cash flows generated from operating activities		**1,279,684**	1,490,417	**1,555,670**	1,072,576
INVESTING ACTIVITIES					
Investment in short term deposits	20	**(223,614)**	(4,893,561)	**(469,832)**	(4,074,304)
Investment in government securities	19	**(1,631,004)**	-	**(1,631,004)**	-
Proceeds from government securities		**-**	2,551,647	**-**	2,551,647
Loan to DSE Saccos		**(143,190)**	-	**(143,190)**	-
Interest received - short term deposits	11	**2,416,186**	1,638,052	**2,334,840**	1,599,308
Purchase of intangibles	15	**(225,271)**	(21,981)	**(225,271)**	(21,981)
Prepayment for acquisition of office space	14	**-**	-	**-**	-
Purchase of property and equipment	13	**(14,730)**	(35,948)	**(10,588)**	(33,648)
Net cash flows generated from /(used in) investing activities		**178,377**	(761,791)	**(145,045)**	21,022
FINANCING ACTIVITIES					
Dividend paid	27	**(1,772,996)**	(878,844)	**(1,772,996)**	(878,844)
Payment of short term borrowing	25c	**-**	(150,000)	**-**	(150,000)
Revenue Grant	23	**129,062**	94,604	**129,062**	94,604
Receipts of Capital Grant	23	**218,753**	-	**218,753**	-
Net cash flows used in financing activities		**(1,425,181)**	(934,240)	**(1,425,178)**	(934,240)
Net increase/(decrease) in cash and cash equivalents		**32,880**	(205,614)	**(14,553)**	159,358
Cash and cash equivalents at start of the period		**183,214**	388,828	**177,475**	18,117
Cash and cash equivalent at year end	21	**216,094**	183,214	**162,922**	177,475

The notes on pages 23 to 65 are an integral part of these financial statements



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES

1 GENERAL INFORMATION

The Dar es Salaam Stock Exchange Plc (DSE) was incorporated in 1996 under the Tanzanian Companies Act, as a body corporate (limited by guarantee). DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Plc and issued twenty shares of a nominal value of TZS 400 each on 29th July 2015. In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

The Exchange assists companies to raise capital through the issuance of equities and debt securities.

The Exchange is also an instrument for use by Government privatized companies and private companies for raising capital. Under the provisions of the Capital Markets and Securities (CMS) Act, 1994 (as amended), the Capital Markets and Securities Authority regulates the Exchange. The exchange is domiciled in Tanzania and the address of its registered office is:

3rd floor, NHC Kambarage Building,
Ufukoni Street,
PO Box 70081,
Dar es Salaam.

Exchange/Company means Dar es Salaam Stock Exchange Plc as an entity and Group means the Consolidated results of the Company and its subsidiary CSD & Registry Company Limited.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Group and Company apply the same accounting policies. The financial statements are prepared on the basis of accounting policies applicable to a going concern.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention and fair value except for leasehold land and buildings which are presented at fair value. The measurement basis applied is the historical cost basis. The financial statements are presented in Tanzanian Shillings (Shs) rounded to the nearest thousand. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of measurement

The financial statements are prepared on the historical cost basis except for leasehold land and buildings which are carried at revalued amount.

Functional and presentation currency

The financial statements are presented in Tanzanian Shillings (TZS), which is the Exchange's functional currency.

2 BASIS OF PREPARATION (CONTINUED)

Changes in accounting policies and disclosures

New and amended standards and interpretations

i) New and amended standards adopted by the Company

These standards and interpretations, adopted on 1 January 2020, do not significantly affect the company's financial results, disclosures or accounting policies and do not have any significant impact to the company results upon transition and subsequently.

Standard	Effective date	Executive summary
Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.	Annual periods beginning on or after 1 January 2020 (Published October 2018)	These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs: · use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting; · clarify the explanation of the definition of material; and · incorporate some of the guidance in IAS 1 about immaterial information. The amended definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." Amendments did not have any impact to the company

(ii) New standards and interpretations not yet adopted

The Company is still assessing the full quantitative impact of the standards and/or interpretations not yet adopted.

Standard	Effective date	Executive summary
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published June 2020)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. The company does not consider that these amendments will lead into any material impact.
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2022 (Published January 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

2. BASIS OF PREPARATION (CONTINUED)

Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

(ii) New standards and interpretations not yet adopted (continued)

Standard	Effective date	Executive summary
Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: · IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. · IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

These comprise cash on hand, deposits held on call and term deposits with an initial maturity of less than three months when entered into. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above but exclude restricted cash balances.

(b) Foreign currency transactions

Transactions in foreign currencies are initially recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Financial instruments

Recognition and initial measurement
All financial instruments are initially recognised at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognised when the Group becomes a party to the contractual arrangements. All regular way transactions are accounted for on trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place. All financial assets and liabilities are classified as amortised cost.

Financial assets

Classification and measurement under IFRS 9
Trade and other receivables, government securities, bank balances and short term deposits are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI or FVTPL. The classification depends on the business model applied and the cash flow characteristics of an asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets

Business model: The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for assets include past experience on how the cash flows of these assets were collected, how the performance of the assets is evaluated and reported to key management personnel, the risks that affect the performance of the business model (and the financial assets within) and in particular, the way that those risks are managed; and how assets managers are compensated.

Cash flow characteristic of the asset: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

Financial liabilities

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Derecognition

Financial assets

A financial asset is de-recognised where:
The rights to receive cash flows from the asset have expired; or
The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

(d) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The right of use assets on day one equals the lease liability and is subsequently reduced by the amortisation charge over the lease term, where as lease liability is subsequently measured at amortised cost.

Lease liabilities as well as right of use assets at the commencement date of the lease, are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leases (continued)

Leasehold land

The company's leasehold land has been classified as a finance lease and is carried in the financial statements at fair value less accumulated amortisation. Prepaid lease rentals on the land are amortised on a straight-line basis over the period of the lease and the amortisation expense recognised in profit or loss.

(e) Property plant and equipment

At initial recognition, acquired property and equipment is recognised at the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. The recognised cost includes any directly attributable costs for preparing the asset for its intended use. The cost of an item of property and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Property and equipment, except for leasehold land and buildings, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Leasehold land and buildings are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency (after every three years) to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property plant and equipment (continued)

Depreciation

Items of property and equipment are depreciated in the year they are purchased and available for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using straight line method over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

Category	Useful life
Office furniture	4 years
Office equipment	4-5 years
Power generator	4 years
Motor vehicles	4 years
Office partitions	4 years
BuildingsLower of	40 years and lease term for land
Work in progress	Nil

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss in disposal of property and equipment is included in profit or loss in the year the asset is derecognised.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Exchange's intangible assets are amortised at rate of 25% i.e. over useful life of four years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in 'depreciation and amortisation' in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment

i) Financial assets

Policy under IFRS 9

From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(h) Employee benefits

(i) Defined contribution plans

DSE has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension schemes in force, which the Exchange contributes to, are Public service social security Fund (PSSSF) and National Security Social Fund (NSSF).

(ii) Workers Compensation Fund (WCF)

Workers Compensation Fund (WCF) is a social security scheme established by the government responsible for compensating workers who suffer occupational injuries or contract occupational diseases arising out of and in the course of their employment. Private entities are statutorily required to contribute 1% of monthly employees' earnings (wage bill) to the Fund. Monthly employees' earnings (wage bill) include basic salaries plus all fixed allowances which are regularly paid along with basic salaries. The contributions are part of Exchange's costs and are not deducted from salaries of the employees.

(iii) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(iv) Leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(v) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss.

(j) Revenue

Revenue is recognised when persuasive evidence exists that all of the following criteria are met:

- Identified contracts with customers;
- Identify the separate performance obligation;
- Determine the transaction price of the contract;
- Allocated the transaction price to each of the separate performance obligations; and
- Recognised the revenue as each performance obligation is satisfied

The Group revenue comprises listing fees, transaction fees, dividend processing fees, registry services fees, annual general meeting fees, Data vending and membership fees. Group revenue is recognised on yearly basis at a point in time when it transfers control over a service to a customer for both continued listed companies and members and for new members when they join the Exchange or listed in the Exchange for the first time. Transaction fee is recognised when actual trading of shares is done. Unearned amount of revenue received for which performance obligation has not been satisfied is classified as a contract liability until such time when performance obligation is satisfied in which case it will be recognised as revenue. Revenue from dividend processing, AGM Management and registry services is measured based on the consideration specified in a contract with a customer and is being recognised when the performance obligation is satisfied by transferring a promised service to a customer.

(i) Listing fees

Initial listing fee is recognized in the year in which the Exchange makes the flotation. Annual listing fee is computed on the capitalization value of the listed securities. Additional listing income is recognized during the year in which the issuing company makes announcement of bonus/rights issues.

(ii) Transaction fees

Transaction fee is based on the percentage of the value of shares and bonds traded, the same is recognized on the dates of the transactions.

(iii) Central Securities Depository (CSD) fees

CSD fee is an annual fee paid by all brokers that trade at Dar es Salaam Stock Exchange. This fee is categorized into two types i.e. for Associate members and custodian members who pay TZS 1 million and TZS 2 million respectively. Other fees collected by the DSE/CSDR are Dividend processing fees, Transaction fees, IPO processing fees, registry services fees, AGM Management fee, data vending fees and ISIN fees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenue (continued)

(iv) Other operating income

Other operating income is made up of membership fees from DSE, LDM and realized listing fees from the brokers. Previously, annual membership fees were collected from members as DSE was only limited by guarantee, after self-listing this fee is no longer collected. Membership fees are recognized at fair value in the year to which they relate.

(v) Other income

Other income comprises grant income, training income, forex gain and sundry income.

(k) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grants will be received and the exchange will comply with all conditions attached to them. Grants received for capital expenditure are classified in the Statement of Financial Position while grants received for operating expenses are recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed. Grants are amortised at the rate which property and equipment acquired through the grants are depreciated.

(l) Finance income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Total interest income on financial assets that are measured at amortised cost for the year stood at TZS 2,416,186 (Previous year 2019, TZS 1,638,052).

(m) Earnings per share

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the Exchange, divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of ordinary shares outstanding during the year, including the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the period (if any).

(n) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has a) power over the investee ;b) exposure, or rights, to variable returns from its involvement with the investee ; and c) the ability to use its power over the investee to affect the amount of the investor’s returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Consolidation (continued)

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

(i) Subsidiaries (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred

The excess of the

- Consideration transferred,
- Amount of any non-controlling interest in the acquired entity, and
- Acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Consolidation (continued)

(ii) Changes in ownership interests in subsidiaries without change of control

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of DSE.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating board that makes strategic decisions.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS,ESTIMATES AND ASSUMPTION

Use of Estimates, Assumptions and Judgments

The preparation of the Exchange's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability affected in future periods. In the process of applying the Exchange's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

4 SIGNIFICANT ACCOUNTING JUDGEMENTS,ESTIMATES AND ASSUMPTION (CONTINUED)

Use of Estimates, Assumptions and Judgments (continued)

a. Fair value of land and buildings

Fair value of the Exchange's leasehold land and building were determined using the market comparable method. The valuation was performed based on proprietary databases of prices of transactions for properties of similar nature, location and condition. The revaluation was performed on 31 December 2019 by accredited Independent valuers with experience for valuation of similar properties in Tanzania.

b. Going concern

During the year ended 31 December 2020, the group made a net profit 4,639 million (2019: 3,686 million) and as at the year end, current assets exceeded the current liabilities by TZS 22,679 million (2019: 19,660 million). Further, in the year ended 31 December 2020, the group had the net positive cash flow from operations of TZS 1,280 million (2019:1,490 million).

The directors are confident that despite the potential reduced level of activity due to the COVID 19 pandemic, the condition does not indicate a material uncertainty which may cast significant doubt about the Group and Company's ability to continue as a going concern. The Group has in place significant liquid investments and continues to monitor the COVID-19 situation closely and the company is confidence with the current government measures taken to combat the outbreak.

5 BUSINESS SEGMENTS INFORMATION

The Group consists of the CSDR, a subsidiary that started its operations in the fourth quarter of 2017 and is wholly owned by the Dar es Salaam Stock Exchange Plc. The operating board has determined the operating segments based on reports reviewed by the board of directors that are used to make strategic decisions.

The group operates within the one geographical area, being the United Republic of Tanzania, therefore no separate geographical segments exist.

The operating board of directors considers the business from market and product perspectives. Market wise, management considers the main lines through which it derives its revenue. Costs relating to group management are shared between Company and its subsidiary based on the agreed rates. Revenue for the entities is all derived from external customers. Revenue for DSE is majorly generated from the listing and trading of securities. The principal activity of the CSDR through which revenue is generated is, among others, to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at the DSE as well as to provide Registry Services to listed and non-listed companies.

Management has not aggregated any operating segments and considered the information relating to CSDR to be relevant and useful to users of the financial statements of the group This has been included in the business segment information.

The segment information provided by management for the reportable segments for the year ended 31 December 2020 is as follows:

5 BUSINESS SEGMENTS INFORMATION (CONTINUED)

Segmental statement of profit or loss

		Year ended 31 December 2020			Year ended 31 December 2019		
	DSE	**CSDR**	**Elimination**	**Group**	DSE	CSDR	Group
	TZS'000	**TZS'000**		**TZS'000**	TZS'000	TZS'000	TZS'000
Revenue	**5,777,320**	**1,687,037**	**-**	**7,464,358**	4,882,850	1,525,817	6,408,667
Other income	**279,871**	**20,218**	**(127,867)**	**172,221**	342,290	1,946	344,236
	6,057,191	**1,707,255**	**(127,867)**	**7,636,579**	5,225,140	1,527,763	6,752,903
Staff costs	**(2,309,549)**	**(802,564)**	**127,867**	**(2,984,246)**	(2,012,198)	(616,238)	(2,628,436)
Depreciation and amortisation	**(224,794)**	**(15,872)**		**(240,666)**	(210,712)	(15,479)	(226,191)
Operating and other expenses	**(1,311,630)**	**(685,249)**	**-**	**(1,996,879)**	(1,356,576)	(454,044)	(1,810,620)
Expected credit loss	**(12,989)**	**(10,924)**	**-**	**(23,913)**	(16,773)	(22,616)	(39,**389**)
	(3,858,962)	**(1,514,609)**	**127,867**	**(5,245,704)**	(3,596,259)	(1,108,377	(4,704,636)
Profit before finance income	**2,198,229**	**192,646**	**-**	**2,390,875**	1,628,881	419,386	2,048,267
Finance income	**2,334,840**	**81,346**	**-**	**2,416,186**	1,599,308	38,744	1,638,052
Profit before tax	**4,533,069**	**273,992**	**-**	**4,807,061**	3,228,189	458,130	3,686,319
Taxation	**-**	**(168,016)**	**-**	**(168,016)**	-	(138,339)	(138,339)
Profit for the year	**4,533,069**	**105,976**	**-**	**4,639,045**	3,228,189	319,791	3,547,980

5 BUSINESS SEGMENTS INFORMATION (Continued)

Segmental assets, liabilities:

	As at 31 December 2020				As at 31 December 2019			
	DSE	CSDR	Eliminations/ Consolidation	Group	DSE	CSDR	Eliminations/ Consolidation	Group
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Non-current assets	3,467,135	37,064	-	3,504,199	3,456,071	45,337	-	3,501,408
Investment	100,000	-	(100,000)	-	100,000	-	(100,000)	-
Current assets	23,577,405	1,490,605	(148,130)	24,919,880	20,171,339	1,132,110	(246,777)	21,056,672
	27,144,540	1,527,669	(248,130)	28,424,079	23,727,410	1,177,447	(346,777)	24,558,080
Owners' equity	24,159,817	865,662	(100,000)	24,925,479	21,399,744	759,686	(100,000)	22,059,430
Non-current liabilities	1,257,229	-	-	1,257,229	1,102,316	-	-	1,102,316
Current liabilities	1,727,494	662,007	(148,130)	2,241,371	1,225,350	417,761	(246,777)	1396,334
	27,144,540	1,527,669	(248,130)	28,424,079	23,727,410	1,177,447	(346,777)	24,558,080

6 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a. Credit risk

The DSE customers are basically brokerage firms whom the DSE rules require them to furnish their financial position each quarter. DSE Management uses this information to evaluate the creditworthiness of each broker as a way of mitigating credit and investing in issuers with known credibility.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	As at 31 December 2020	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Trade receivables (Note 18)	**2,796,215**	1,018,408	**1,958,723**	724,955
Staff car loan receivables	**35,402**	42,917	**35,402**	42,917
Staff advances (Note 18)	**697**	1,277	**-**	-
Short term deposits (Note 20)	**16,645,949**	16,422,335	**16,072,910**	15,603,078
Cash and cash equivalents (Note 21)	**216,094**	183,214	**162,922**	177,475
Loan to DSE Saccos	**143,190**	-	**143,190**	-
Government securities (Note 19)	**4,895,956**	3,264,952	**4,895,956**	3,264,952
	24,733,503	**20,933,103**	**23,269,103**	19,813,377

6 FINANCIAL RISK MANGEMENT (CONTINUED)

a. Credit risk (continued)

Expected credit losses:

The Group/Company has the following financial assets that are subject to IFRS 9 impairment requirements (Expected credit losses):

- Trade and other receivables
- Cash and cash equivalents
- Investments in government securities and DSE Saccos
- Short term deposits

For trade and other receivables, the Group/Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. While cash and cash equivalents, investments in government securities and short term deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The expected loss rates are based on historical credit losses. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables due to the fact that the relationship was not established between change in macroeconomics and expected credit losses but the group would continue to monitor the relationship in future.

On that basis, the loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows for trade receivables:

Group

As at 31 December 2020	**0 to 12 months**	**12 to 18 months**	**19 to 24 months**	**Over 24 months**	**Total**
	TZS'000	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
Expected loss rate	0%	20%	50%	100%	
Gross carrying amount – trade receivables (Note 18)	2,739,980	62,972	11,715	58,166	2,872,833
Loss allowance (Note 18)	-	**12,594**	**5,858**	**58,166**	**76,618**
As at 31 December 2019					
Gross carrying amount – trade receivables (Note 18)	972,711	33,516	37,768	27,118	1,071,113
Loss allowance (Note 18)	-	6,703	18,884	27,118	52,705

Company

As at 31 December 2020	**0 to 12 months**	**12 to 18 months**	**19 to 24 months**	**Over 24 months**	**Total**
	TZS'000	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
Expected loss rate	0%	20%	50%	100%	Total
Gross carrying amount – trade receivables (Note 18)	1,924,635	41,585	1,641	32,767	2,000,628
Loss allowance (Note 18)	-	**8,317**	**821**	**32,767**	**41,905**

6 FINANCIAL RISK MANGEMENT (CONTINUED)

a. Credit risk (continued)

As at 31 December 2019					
Gross carrying amount – trade receivables (Note 18)	697,999	33,516	286	22,070	753,871
Loss allowance (Note 18)	-	6,703	143	22,070	28,916

Movement of the loss allowance is as shown below:

	Group	Company
	TZS'000	TZS'000
Year ended 31 December 2020		
Opening Balance	**52,705**	28,916
Charge during the year	**23,913**	12,989
Expected credit loss at 31 December 2020	**76,618**	41,905
Year ended 31 December 2019		
Opening balance	**13,316**	12,143
Charge during the year	**39,389**	16,773
Expected credit loss at 31 December 2019	**52,705**	28,916

b. Liquidity risk

Liquidity risk is the risk that the DSE will not be able to meet its financial obligations as they fall due. The DSE's approach in managing liquidity ensures as far as possible, it always has sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The DSE ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below analyses the group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the statement of financial position. The amounts disclosed in the table below are the contractual undiscounted cash flows

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Liquidity risk (continued)

Group	**Less than 1 year**
At 31 December 2020:	**TZS'000**
Trade and other payables	**757,716**
At 31 December 2019:	
Trade and other payables	534,548
	534,548
Company	
At 31 December 2020	
Trade and other payables	**577,715**
At 31 December 2019:	
Trade and other payables	370,208

c. Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

i. Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e. a currency other than the functional currency in which they are measured. Currency risk does not arise from non-monetary items or items denominated in the functional currency.

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. At the reporting date, the Group did not have significant assets and/or liabilities denominated in foreign currency, therefore the impact of sensitivity analysis is not material.

The Group agree predetermined exchange rates with suppliers denominated in foreign currency and use the same to record and settle the outstanding amounts. Consequently expected impacts on exchange rate movements are eliminated. At the year-end there was no that commitment.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Market risk (continued)

ii. Interest rate risk

Interest rate risk is the risk that the DSE being exposed to gains or losses on fluctuations of interest in the market. The DSE exposure on interest rates fluctuations is mainly on its investment in short term securities and external funding or debt instruments. This is mitigated by DSE management through regular review on interest rates movement in money market and hence shifting funds from Treasury bonds to Fixed deposits and vice versa.

The following table analyses the interest risk profile for assets and liabilities at period end.

Profile
At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount			
	As at 31 December 2020	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
	Group	Group	**Company**	Company
Fixed rate instruments: Financial assets	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Short term deposits	**16,645,949**	16,422,336	**16,072,910**	15,603,079
Government securities	**4,895,956**	3,264,952	**4,895,956**	3,264,952
Loan to DSE-Saccos	**143,190**	-	**143,190**	-
	21,685,095	19,687,288	**21,112,056**	18,868,031
Fixed rate instruments: Financial liabilities				
		-		-

d. Capital risk management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market and to sustain future development of the business. Capital consists of total equity

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. The company had no borrowing for the period ended December 2020.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt Divided by Total 'equity' (as shown in the statement of financial position). As at 31 December 2020 the Group was not geared.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

e. Fair value measurement

The group neither account for any fixed rate financial assets and liabilities at fair value nor financial assets and liabilities are remeasured at fair value thus sensitivity to changes in interest rate is not considered relevant. Further, the exchange instruments are invested with counterparties at the prevailing market rates, which do not have any significant changes.

21. Fair value measurement

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

(i) **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The Company have one (government bond) financial instruments under level 1.

(ii) **Level 2:** Inputs other than quoted prices included within level 1 that are observable either directly or indirectly or other valuation techniques in which all significant inputs are directly or indirectly observable from market data..

(iii) **Level 3:** Inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on their valuation.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

e. Fair value measurement (Continued)

Group

As at 31 December 2020	Amortised cost	Level I	Level 2	Level 3	Total
Financial assets not measured at fair value					
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables	2,796,215	-	-	2,796,215	2,796,215
Other receivables	208,235	-	-	208,235	208,235
Government securities	4,895,956	4,895,956	-	-	4,895,956
Loan to DSE-Saccos	143,190	-	-	143,190	143,190
Short term deposits	16,645,949	-	-	16,645,949	16,645,949
Cash and cash equivalents	216,094	-	-	216,094	216,096
Restricted bank balance	14,236	-	-	14,236	14,236
	24,919,875	4,895,956	-	20,023,919	24,919,877
Financial liabilities not measured at fair value					
Contract liabilities	766,032	-	-	766,032	766,032
Trade and other payables	757,716	-	-	757,716	757,716
	1,523,748	-	-	1,523,748	1,523,748

Company

Financial assets not measured at fair value					
Trade receivables	1,958,723	-	-	1,958,723	1,958,723
Other receivables	329,468	-	-	329,468	329,468
Government securities	4,895,956	4,895,956	-	-	4,895,956
Loan to DSE-Saccos	143,190	-	-	143,190	143,190
Short term deposits	16,072,910	-	-	16,072,910	16,072,910
Cash and cash equivalents	162,922	-	-	162,922	162,918
Restricted bank balance	14,236	-	-	14,236	14,236
	23,577,405	4,895,956	-	18,681,449	23,577,401
Financial liabilities not measured at fair value					
Contract liabilities	110,789	-	-	110,789	110,789
Trade and other payables	577,715	-	-	577,715	577,715
	688,504	-	-	688,504	688,504

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

e. Fair value measurement (Continued)

Group					
As at 31 December 2019	**Amortised cost**	**Level I**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables	1,018,408	-	-	1,018,408	1,018,408
Other receivables	162,167		-	162,167	162,167
Government securities	3,264,952	3,264,952	-	-	3,264,952
Loan to DSE Saccos	-	-	-	-	-
Short term deposits	16,422,335	-	-	16,422,335	16,422,335
Cash and cash equivalents	183,214	-	-	183,214	183,214
Restricted bank balance	5,596	-	-	5,596	5,596
	21,056,672	3,264,952	-	17,791,720	21,056,672
Financial liabilities not measured at fair value					
Contract liabilities	682,942	-	-	682,942	682,942
Trade and other payables	757,716	-	-	757,716	757,716
	1,440,658	-	-	1,440,658	1,440,658
Company					
As at 31 December 2019					
Financial assets not measured at fair value					
Trade receivables	724,955			724,955	724,955
Other receivables	395,283			395,283	395,283
Government securities	3,264,952	3,264,952	-		3,264,952
Short term deposits	15,603,078	-	-	15,603,078	15,603,078
Cash and cash equivalents	177,475	-	-	177,475	177,475
Restricted bank balance	5,596	-	-	5,596	5,596
	20,171,339	3,264,952	-	16,906,387	20,171,339
Financial liabilities not measured at fair value					
Contract liabilities	682,942	-	-	682,942	682,942
Trade and other payables	370,208	-	-	370,208	370,208
	1,053,150	-	-	1,053,150	1,053,150

7. REVENUE FROM CONTRACT WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services at a point in time in the following major service line.

Revenues from external customers come from the Listings fees that includes; the listing fee on (equity, corporate bonds, government bonds), it also includes revenues from Transactions fees on equities and bonds, Registry services, dividend processing fees, Data vending and AGM management.

	Year ended 31 December 2020	Year ended 31 December 2019	**Year ended 31 December 2020**	Year ended 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Listing fees				
Equity	**396,145**	355,324	**396,145**	355,324
Government bonds	**3,093,544**	2,403,742	**3,093,544**	2,403,742
Corporate bonds	**23,294**	41,000	**23,294**	41,000
	3,512,983	2,800,066	**3,512,983**	2,800,066
Transaction fees				
Equity	**1,655,395**	1,752,958	**1,655,395**	1,752,958
Bonds	**431,606**	246,746	**431,606**	246,746
	2,087,001	1,999,704	**2,087,001**	1,999,704
Central Securities Depository (CSD) fees				
Annual membership fees	**27,000**	38,000	**-**	-
Transaction fees Equity	**709,452**	751,746	**-**	-
CSD amendment fee	**4,667**	12,295	**-**	-
CSD bond trading fees	**303,483**	182,698	**-**	-
Dividend processing income	**281,780**	199,300	**-**	-
Initial Public Offer processing fees	**15,789**	48,674	**-**	-
Registry services	**119,800**	74,000	**-**	-
Data vending	**2,300**	1,396	**-**	-
AGM management fee	**33,768**	23,708	**-**	-
International Securities Identification Number (ISIN)	**7,800**	7,500	**7,800**	7,500
Register annual maintenance fee	**189,000**	194,000	**-**	-
	1,694,839	1,533,317	**7,800**	7,500
Other operating income				
Data vending historical	**64,530**	34,092	**64,530**	34,092
Data vending end of day	**8,800**	237	**8,800**	237
Data vending real time	**53,255**	22,251	**53,256**	22,251
Licenced Dealing Member (LDM) membership fees	**22,000**	19,000	**22,000**	19,000
Listing income realized	**20,950**	-	**20,950**	-
	169,535	75,580	**169,536**	75,580
	7,464,358	6,408,667	**5,777,320**	4,882,850

7. REVENUE FROM CONTRACT WITH CUSTOMERS (CONTINUED)

(a) Disaggregation of revenue from contracts with customers (Continued)

Revenues of approximately TZS 3,093 million (2019–TZS 2,403 million) on listing of government bonds are derived from single external customer (Government) and around TZS 2,087 million (2019 TZS 1,999 million) are derived from transactions fees on equities and bonds from different customers. Also listing fees for equity amounted to TZS 396 million (2019 – TZS 355million).

(b) Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	Group	Group	Company	Company
Contract assets	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables (Note 18)	**2,872,833**	1,071,113	**2,000,628**	753,871
Less : Loss allowances	**(76,618)**	(52,705)	(41,905)	(28,916)
Total Contract Assets	**2,796,215**	1,123,818	**1,958,723**	724,955
Contract liabilities				
-Listing fee from Corporate entities (Note 25)	**85,000**	141,950	**85,000**	141,950
Listing from Government bonds	**681,032**	540,992	**681,032**	540,992
Total Contract liabilities	**766,032**	682,942	**766,032**	682,942

	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
	Group	Group	Company	Company
8 OTHER INCOME	TZS'000		TZS'000	TZS'000
Amortization of revenue grant (Note 23(b))	**49,787**	63,090	**49,787**	63,090
Training income	**20,800**	19,500	**20,800**	19,500
Management fee from shared human resource services	**-**	-	**127,867**	-
(Loss)/gain on exchange of foreign currency	**2,524**	(269)	**2,524**	(269)
Amortization of capital grant (Note 23(a))	**63,840**	234,991	**63,840**	234,991
Miscellaneous income	**35,270**	26,924	**15,053**	24,978
	172,221	344,236	**279,871**	342,290

(i) Grants from Donors relating to the purchase of in tangibles assets, property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.
Grant that are not relating to the purchase of assets are amortized in the statement of profit or loss following the pattern of expenses in the relevant periods.

9 STAFF COSTS

Salary and wages	**2,100,321**	1,834,717	**1,610,521**	1,398,254
Skills and development levy	**88,348**	80,692	**67,531**	61,070
Employer contribution to pension funds (defined contribution plan)	**267,721**	235,261	**208,643**	182,314
Leave cost	**145,924**	123,984	**113,102**	93,494
Medical expenses	**136,136**	141,877	**105,123**	104,512
Training and workshops	**18,666**	27,102	**18,571**	22,458
Other staff cost; special, acting and furniture allowances	**73,367**	70,648	**54,354**	56,242
Workers' Compensation Fund	**20,033**	32,004	**15,322**	29,824
Fuel allowance	**74,790**	82,151	**57,442**	64,030
Directors training	**8,940**	-	**8,940**	-
Long Service & Golden Handshake expenses	**50,000**	-	**50,000**	-
	2,984,246	2,628,436	**2,309,549**	2,012,198

10 EXPENSES

	Year ended 31 December 2020	Year ended 31 December 2019	**Year ended 31 December 2020**	Year ended 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
a) Information technology costs				
DSE Automated Trading System (DATS) running costs	**53,121**	59,377	**46,544**	50,821
Automatic Trading System (ATS) license fee	**423,077**	412,464	**316,659**	299,713
IT Expenses	**111,918**	90,701	**98,015**	79,735
Data Recovery Expense	**-**	64,309	**-**	41,245
DATS training	**11,526**	9,356	**11,526**	9,356
	599,642	636,207	**472,744**	480,870

10	EXPENSES	Group	Group	Company	Company
b)	**Office rent**	**-**	23,042	**-**	20,161
c)	**Other expenses**				
	Bank charges and insurance	**15,206**	29,345	**12,517**	24,655
	Office cleaning, parking and recreations	**51,627**	49,542	**41,316**	34,961
	CSD IPO processing expenses	-	543	**-**	-
	Other administrative costs	**35,977**	13,707	**32,024**	14,607
	Consultancy fee	**5,360**	3,713	**2,065**	2,621
	Services Levy	**27,971**	-	**22,910**	-
	VAT Tax expense	**286,064**	-	**-**	-
	Improvement of BOT/DSE/CSD InterLink	**17,489**	-	**9,245**	-
	CSD certificates and license	**7,598**	3,638	**500**	1,071
	Stationery and consumables	**19,125**	17,433	**16,777**	11,499
	Repair and maintenance	**11,653**	19,397	**11,502**	18,028
	Legal charges	**-**	64	**-**	64
	Audit fee	**75,000**	83,855	**65,624**	72,630
		553,070	221,237	**214,480**	180,136
d)	**Operating Expenses**				
	Dividend processing costs	**112,971**	140,722	**17,233**	16,521
	Public education and business development costs	**176,825**	193,778	**164,356**	168,431
	Subscriptions, tenders and newspapers	**97,771**	149,122	**85,763**	139,228
	CMSA regulatory fee	**77,892**	66,212	**49,544**	54,169
	Directors' fee	**165,075**	121,200	**129,500**	87,500
	Telephone, internet and courier cost	**70,547**	61,696	**54,585**	48,356
	Amortisation of donor grant	**34,786**	58,090	**34,786**	58,090
	Regional integration costs	**15,986**	55,946	**15,986**	39,115
	Electricity and security cost	**30,000**	10,987	**26,289**	9,613
	Fuel expenses	**20,088**	17,974	**20,088**	17,974
	Board expenses	**42,224**	54,407	**26,275**	36,412
		844,165	930,134	**624,405**	675,409

	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
	Group	Group	**Company**	Company
11 **FINANCE INCOME**	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Interest income from financial assets	**2,416,186**	1,638,052	**2,334,840**	1,599,308
12 **TAXATION**				
(a) Income tax expense				
Current income tax	**171,477**	143,017	**-**	-
Deferred Income Tax	**(3,461)**	(4,678)	**-**	-
Total	**168,016**	138,339	**-**	-

The exchange is tax exempt as per second schedule of income tax act of 2019. Dar es Salaam Stock
Exchange Plc has a wholly own subsidiary CSD & Registry Company Limited that is not exempt from income tax. The following is reconciliation between expected tax based on profit before tax and assessed
income tax expense:

	Year ended 31 December 2020	Year ended 31 December 2019	Year ended 31 December 2020	Year ended 31 December 2019
Effective tax rate reconciliation	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Profit before income tax	**4,807,061**	3,686,319	**4,533,069**	3,228,189
Tax calculated at a tax rate of 30 %	**1,442,118**	1,105,896	**1,359,921**	968,457
Tax effect of:				
Expenses not deductible for tax purposes	**85,819**	900	**-**	-
Income not subject to tax	**(1,359,921)**	(968,457)	**(1,359,921)**	(968,457)
Income tax expense	**168,016**	138,339	-	-
Current income tax liability				
Opening balance	**6,642**	42,290	-	-
Charge during the year	**171,477**	143,017	-	-
Income tax paid	**(73,150)**	(178,665)	-	-
Closing balance	**104,969**	6,642	-	-

12 TAXATION (CONTINUED)

(b) Deferred tax asset

Deferred income tax asset is calculated, using the enacted income tax of 30% (2019: 30%). The movement on the deferred income tax account is as follows:

	As at 31 December 2020	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
	TZS' 000	TZS' 000	**TZS'000**	TZS'000
At start of year	**4,744**	66	**-**	-
Charge to profit or loss	**3,463**	4,678	**-**	-
At end of year	**8,207**	4,744	**-**	-
DEFERRED TAX ASSET COMPOSITION				
Provisions	**10,415**	7,137	**-**	-
Property and equipment	**(2,208)**	(2,393)	**-**	-
Net deferred tax asset	**8,207**	4,744	**-**	-

13 PROPERTY AND EQUIPMENT

GROUP

	Office Equipment	Office Furniture	Power Generator	Motor Vehicles	Office Partition	Total
	TZS'000	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
Cost						
At 1st January 2019	1,150,994	82,442	39,115	283,573	168,887	1,725,011
Additions	31,500	4,448	-	-	-	35,948
At 31 December 2019	**1,182,494**	**86,890**	**39,115**	**283,573**	**168,887**	**1,760,959**
At 1st January 2020	**1,182,494**	**86,890**	**39,115**	**283,573**	**168,887**	**1,760,959**
Additions	11,031	3,699	-	-	-	14,730
At 31 December 2020	**1,193,525**	**90,589**	**39,115**	**283,573**	**168,887**	**1,775,689**
Accumulated depreciation						
At 01 January 2019	923,367	68,565	39,115	118,155	168,887	1,318,089
Charge during the year	107,123	5,501	-	70,893	-	183,517
At 31 December 2019	1,030,490	74,066	39,115	189,048	168,887	1,501,606
At 01 January 2020	**1,030,490**	**74,066**	**39,115**	**189,048**	**168,887**	**1,501,606**
Charge during the year	111,644	5,486	-	70,893	-	188,023
At 31 December 2020	**1,142,134**	**79,552**	**39,115**	**259,941**	**168,887**	**1,689,629**
Carrying amount						
At 31 December 2020	**51,391**	**11,037**	-	**23,632**	-	**86,060**
At 30 December 2019	**152,004**	**12,825**	-	**94,525**	-	**259,354**

13 PROPERTY AND EQUIPMENT (CONTINUED)

COMPANY

	Office Equipment	Office Furniture	Power Generator	Motor Vehicles	Office Partition	Total
Cost	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**	**TZS'000**
At 01 January 2019	1,143,369	77,312	39,115	283,573	168,887	1,712,256
Additions	31,040	2,608	-	-	-	33,648
At 31 December 2019	1,174,409	79,920	39,115	283,573	168,887	1,745,904
At 01 January 2020	**1,174,409**	**79,920**	**39,115**	**283,573**	**168,887**	**1,745,904**
Additions	7,352	3,236	-	-	-	10,588
At 31 December 2020	**1,181,761**	**83,156**	**39,115**	**283,573**	**168,887**	**1,756,492**
Accumulated Depreciation						
At 01 January 2019	922,429	67,852	39,115	118,155	168,887	1,316,438
Charge during the year	105,217	3,835	-	70,893	-	179,945
At 31 December 2019	**1,027,646**	**71,687**	**39,115**	**189,048**	**168,887**	**1,496,383**
At 01 January 2020	**1,027,646**	**71,687**	**39,115**	**189,048**	**168,887**	**1,496,383**
Charge during the year	109,651	3,514	-	70,893	-	184,059
At 31 December 2020	**1,137,297**	**75,201**	**39,115**	**259,941**	**168,887**	**1,680,442**
Carrying amount						
At 31 December 2020	**44,464**	**7,955**	**-**	**23,632**	**-**	**76,050**
At 31 December 2019	146,763	8,233	-	94,525	-	249,521

	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
14 NON-CURRENT PREPAYMENT				
Opening balance of the prepayment	**2,819,584**	2,819,584	**2,819,584**	2,819,584
	2,819,584	2,819,584	**2,819,584**	2,819,584

The non-current prepayment is related to the purchase of office space measuring approximately nine hundred and six decimal one four square metres (906.14 sqm) being part of a building constructed by the National Housing Corporation (NHC) on Plot Numbers 1-3, Mwai Kibaki Road (famously referred to as NHC's Morroco Square project) and Plot Number 44 Ursino Street, Real Estate - Kinondoni Municipality, Dar es salaam.

During the period, DSE has not paid additional payment to NHC and as of now DSE has already paid a sum of TZS 2,820 million which is 60% of the agreed purchase price. Once construction work is completed and all payment instalments made by the DSE to NHC, the amount will be recognised as property, plant and equipment.

15 INTANGIBLE ASSET

Intangible asset relates to software used by DSE on day to day operations. This consists of Automated Trading System (ATS), Central Securities Depository (CSD), Arute system (HRM system), Mobile Trading Platform (MTP) and Sage Accounting and Payroll software, whose movement was as follows:

	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	Group	Group	**Company**	Company
Cost	**TZS'000**	TZS'000	**TZS'000**	TZS'000
At start of the year	**1,365,892**	1,343,911	**1,318,264**	1,296,283
Additions	**225,271**	21,981	**225,271**	21,981
At end of the year	**1,591,163**	1,365,892	**1,543,535**	1,318,264
Accumulated amortisation				
At start of the year	**1,279,167**	1,240,240	**1,262,298**	1,235,279
Charge during the year	**48,629**	38,926	**36,722**	27,019
At end of the year	**1,327,796**	1,279,166	**1,299,020**	1,262,298
Net carrying amount				
At end of the year	**263,367**	86,726	**244,515**	55,966

16 LEASEHOLD LAND AND BUILDING

	Leasehold Land	Building	Total
Cost	**TZS'000**	**TZS'000**	**TZS'000**
At 01 January 2019	350,000	160,540	510,540
Additions (revaluation losses)	(98,021)	(31,188)	(129,209)
At 31 December 2019	251,979	129,352	381,331
At 01 January 2020	**251,979**	**129,352**	**381,331**
Revaluation loss	-	-	-
At 31 December 2020	**251,979**	**129,352**	**381,331**
Accumulated depreciation			
At 01 January 2019	29,981	16,602	46,583
Charge during the period	998	2,750	3,748
At 31 December 2019	**30,979**	**19,352**	**50,331**
At 01 January 2020	**30,979**	**19,352**	**50,331**
Charge during the period	-	4,014	4,014
At 31 December 2020	**30,979**	**23,366**	**54,345**
Carrying amount			
At 30 December 2020 (Group/ Company)	**221,000**	**105,986**	**326,986**
At 30 December 2019 (Group/Company)	**221,000**	**110,000**	**331,000**

If leasehold land was measured using the cost model, the carrying amounts would be, as follows:

	As at 31 December 2020	As at 31 December 2019
	TZS'000	TZS'000
Cost	**41,603**	41,603
Accumulated depreciation	**(4,501)**	(3,851)
Net carrying amount	**37,102**	37,752

Leasehold land was acquired from National Insurance Company Limited. The Exchange's leasehold land and buildings comprise residential properties located at Plot No. 109-1 Kingalu road in Morogoro. Land and buildings are measured at fair value based on valuations by external independent valuers, Majengo Estates developer (registered valuers and estate agents of Dar es Salaam Tanzania) carried out in December 2019 less subsequent amortisation and depreciation for land and buildings respectively.

Leasehold land has been used to erect the building in conformity to the Morogoro Municipal Council plans. DSE has the right to renew occupancy of the leasehold land from the Government of United Republic of Tanzania after the end of lease term of 99 years from 1 January 1975.

16 LEASEHOLD LAND AND BUILDING (CONTINUED)

If buildings were measured using the cost model, the carrying amount would be, as follows:

	As at 31 December 2020	As at 31 December 2019
	TZS'000	TZS'000
Cost	**103,331**	103,331
Accumulated depreciation	**(14,137)**	(11,554)
Net carrying amount	**89,194**	91,777

Key inputs to valuation of land and buildings

	Significant inputs	Range (weighted average)
Buildings	Estimated rental value per square meter per month	TZS 8,000 to TZS 12,000 (Average of TZS 10,000)
	Rent growth per annum	0% - 5% (Average of 2.5%)
Leasehold Land Selling price per square meter		TZS 100,000

Valuation techniques for the Exchange's properties:

Buildings	Buildings, structures and services were valued using comparative method, also referred to as the Direct Capital Comparison Approach.
Leasehold Land	Leasehold land was valued using market approach

The valuations for the leasehold land and buildings are classified into level 3 hierarchy since the significant inputs into the valuations are the open market prices for buildings in the same location and these are observable, either directly or indirectly from the market. There have been no transfers into or out of this fair value hierarchy.

Fair value of the properties was determined using the market comparable method. This means that valuations performed by the valuer are based on the information available in the market, significantly adjusted for differences in the nature, location or condition of the specific property, as at the date of revaluation on 31st December 2019, the properties' fair values are based on valuations performed by an accredited independent valuer who has valuation experience for similar office properties in Tanzania since 2006. The directors believes that the valuations performed in year 2019 still reflect the current market conditions and prices and that there is no significant changes in the market prices, conditions and nature of land and building that can lead to performing the revaluation in year 2020.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

Leasehold land was acquired from National Insurance Company Ltd with the remaining period of 54 years.

17 INVESTMENT IN SUBSIDIARY

In the year 2017, the Company invested TZS 100 million in a wholly owned subsidiary, CSDR Company. The CSDR Company assumed the function of settlement and custody of security services which initially was part of the DSE operations. The group's principal subsidiary at 31 December 2020 is set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also the principal place of the subsidiary business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		2020	2019	2020	2019	
		%	%	%	%	
CSDR	United Republic of Tanzania	100	100	-	-	Clearance and settlement of securities and custody of security services.

Below is the summary of the subsidiary results and financial position

	2020 TZS '000	2019 TZS'000
Statement of financial position		
Total assets	**1,527,669**	1,177,447
Total liabilities	**(662,007)**	(417,761)
Net assets	**865,662**	759,686
Statement of profit or loss and other comprehensive income		
Gross income	**1,788,601**	1,566,507
Total expenses	**(1,514,609)**	(1,108,377)
Profit before tax	**273,992**	458,130

		As at 31 December 2020	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
		Group	Group	**Company**	Company
18a	**TRADE RECEIVABLES**	**TZS'000**	TZS'000	**TZS'000**	TZS,000
	Listing fee receivables	**634,053**	185,809	**634,053**	185,809
	Transaction fee receivables	**2,238,780**	885,304	**1,366,575**	568,062
	Loss allowance (see note 6(a))	**(76,618)**	(52,705)	**(41,905)**	(28,916)
		2,796,215	1,018,408	**1,958,723**	724,955

18b	**OTHER RECEIVABLES**				
	Staff car loans receivables	**35,402**	42,917	**35,402**	42,917
	Staff advances	**697**	1,277	**-**	-
	Prepaid expenses and other receivables	**172,136**	117,973	**294,066**	352,366
		208,235	162,167	**329,468**	395,283

19a	**GOVERNMENT SECURITIES**	**As at 31 December 2020**	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
	At amortised cost	**Group**	Group	**Company**	Company
	Treasury bond	**4,895,956**	3,264,952	**4,895,956**	3,264,952
		4,895,956	3,264,952	**4,895,956**	3,264,952

19b LOAN TO DSE SACCOS

Loan to DSE Saccos*	**143,190**	-	**143,190**	-
Total Loan to DSE Saccos	**143,190**	-	**143,190**	-

**Relates to the money invested by DSE Plc in employees Saccos a legal entity owned by employees. DSE Plc has no control over this Saccos.*

20 SHORT TERM DEPOSITS

These are fixed deposits with various Financial institutions.

Short term deposits	**16,645,949**	16,422,335	**16,072,910**	15,603,078
The short-term deposits are held at the following institutions:				
Equity Bank Tanzania Limited	**2,670,071**	4,123,168	**2,670,071**	4,123,168
Tanzania Postal Bank Plc	**4,112,477**	2,856,722	**4,112,477**	2,856,722
Akiba Commercial Bank	**5,950**	3,375	**5,950**	3,375
CRDB Bank Plc	**-**	319,257	**-**	-
Azania Bank Limited	**4,085,806**	3,341,994	**3,512,767**	2,841,994
Bank of Africa Tanzania Limited	**2,769,300**	2,970,184	**2,769,300**	2,970,184
KCB Bank Tanzania Limited	**3,002,345**	2,807,635	**3,002,345**	2,807,635
	16,645,949	16,422,335	**16,072,910**	15,603,078

All short-term deposits have original maturities of more than 3 months but less than one year.

The effective interest rate and maturity date on short term deposits as at 31 December 2019 and 31 December 2018 are shown below:

	As at 31 December 2020		As at 31 December 2019	
FDR Summary	**Effective interest rate per annum**	**Maturity date**	Effective interest rate per annum	Maturity date
Equity Bank Tanzania Limited	**11.00%**	**23-Apr-21**	13.00%	23-Apr-20
TPB Bank Plc	**10.50%**	**24-Apr-21**	12.00%	24-Apr-20
TPB Bank Plc	**11.00%**	**16-Jan-21**	12.00%	16-Jan-20
TPB Bank Plc	**10.50%**	**08-May-21**	12.50%	11-Feb-20
Bank of Africa Tanzania Limited	**10.00%**	**4-Aug-21**	10.00%	1-Aug-20
Bank of Africa Tanzania Limited	**11.00%**	**6-Aug-21**	11.00%	6-Aug-20
Azania Bank Ltd	**13.00%**	**9-Oct-21**	13.00%	9-Oct-20
Azania Bank Ltd	**12.50%**	**21-Jun-21**	12.50%	20-Jun-20
Azania Bank Ltd	**11.00%**	**16-Oct-21**	-	-
CRDB Bank Plc	**-**	**-**	8.75%	30-Mar-20
KCB Bank Tanzania Limited	**12.00%**	**24-Apr-21**	12.00%	24-Apr-20
KCB Bank Tanzania Limited	**12.00%**	**17-Feb-21**	12.50%	09-Feb-20

		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
21	**CASH AND CASH EQUIVALENTS**	**Group**	Group	**Company**	Company
		TZS'000	TZS'000	**TZS'000**	TZS'000
	Cash at bank	**214,893**	182,206	**161,721**	176,468
	Cash at hand	**1,201**	1,008	**1,201**	1,007
	Short term deposit (maturity of 3 months)	**-**	-	**-**	-
	Unrestricted cash and bank balances	**216,094**	183,214	**162,922**	177,475
	Restricted cash and bank balances				
	Cash at bank - ACB Car Loan Fund*	**14,236**	5,596	**14,236**	5,596

*This is the balance which relates to cash set aside for the purpose of extending loans to staff for purchase of motor vehicles.

For the purpose of the statement of cash flows, cash and cash equivalents comprises unrestricted cash at hand and in bank as indicated above.

		As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
		Group	Group	**Company**	Company
22	**CAR LOAN FUND**	**TZS'000**	TZS'000	**TZS'000**	TZS'000
	Car loan fund at end of the year	**35,000**	35,000	**35,000**	35,000

This is a fund established on 3rd August, 2001 from the accumulated fund account with a seed capital of TZS 35 million for the purpose of extending loans to staff for purchase of motor vehicles.

23 GRANTS

		At 31 December 2020	At 31 December 2019	At 31 December 2020	At 31 December 2019
23 (a)	**Capital grant**	**Group**	Group	**Company**	Company
		TZS'000	TZS'000	**TZS'000**	TZS'000
	At start of the period	**1,102,316**	1,337,308	**1,102,316**	1,337,308
	Grant received	**218,753**	-	**218,753**	-
	Grant amortization	**(63,840)**	(234,992)	**(63,840)**	(234,992)
	At end of the period	**1,257,229**	1,102,316	**1,257,229**	1,102,316

The Capital grants comprise the following items: FSDT Grant for Mobile Trading Platform System, Grant from the world bank grant for Automated Trading System, and cash advanced to the DSE by the Government.

Grants are issued on condition of being spent on the intended activity and DSE to maintain appropriate financial records in relation to the grant project funds.

23 GRANT (CONTINUED)

	At 31 December 2020	At 31 December 2019	**At 31 December 2020**	At 31 December 2019
(b) Revenue grant	**Group**	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
At start of the period	**31,514**	-	**31,514**	-
Grant received	**129,062**	94,604	**129,062**	94,604
Grant amortization	**(49,787)**	(63,090)	**(49,787)**	(63,090)
At end of the period	**110,789**	31,514	**110,789**	31,514

	At 31 December 2020	At 31 December 2019	**At 31 December 2020**	At 31 December 2019
(i) Business Incubation	**Group**	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
At start of the period	**31,514**	-	**31,514**	-
Grant received	**114,062**	89,604	**114,062**	89,604
Grant amortization	**(34,787)**	(58,090)	**(34,787)**	(58,090)
At end of the period	**110,789**	31,514	**110,789**	31,514
(ii) DSE Scholar investment challenge				
	TZS'000	TZS'000	**TZS'000**	TZS'000
At start of the period	**-**	-	**-**	-
Grant received	**15,000**	5,000	**15,000**	5,000
Grant amortization	**(15,000)**	(5,000)	**(15,000)**	(5,000)
At end of the period	**-**	-	**-**	-
Total grant amortization (i + ii)	**(49,787)**	(63,090)	**(49,787)**	(63,090)

The revenue grants comprise the following items: FSDT Grant for business incubation program and grant for DSE scholar investment challenge. Business incubation program is programs for startup companies that aim at facilitating capacity building, providing network opportunities and providing access to different types of funding options including borrowing, venture capital funds, private equity and equity/debt public issuance to identified companies.

DSE scholar investment challenge is the challenge that aims at creating awareness to students to participate in the investment opportunities available, the challenge aims at developing capacity to student on how to buy and sell shares through the stock exchange market.

Grants are issued on condition of being spent on the intended activity and DSE to maintain appropriate financial records in relation to the grant project funds.

	At 31 December 2020	At 31 December 2019	**At 31 December 2020**	At 31 December 2019
	Company	Group	**Company**	Company
24 SHARE CAPITAL	**TZS'000**	TZS'000	**TZS'000**	TZS'000
The Exchange has authorised capital of TZS 20 billion divided into 50 million ordinary shares of TZS 400 each	**20,000,000**	20,000,000	**20,000,000**	20,000,000
Issued and fully paid: 23,824,020 ordinary shares of TZS 400 each (ordinary shares)	**9,529,608**	9,529,608	**9,529,608**	9,529,608
Share premium	**1,850,374**	1,850,374	**1,850,374**	1,850,374

25 TRADE AND OTHER PAYABLES

(a) Contracts with customers

(I) The group has recognised the following liabilities related to contracts with customers

Contract liabilities-listing fee from Corporate entities	**85,000**	141,950	**85,000**	141,950
Contract liabilities-listing fee from Government Bond	**681,032**	540,992	**681,032**	540,992
	766,032	682,942	**766,032**	682,942

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year

	Revenue recognized that was included in the contract liability balance at the beginning of the period				
	Listing fee-Corporate entities	**20,950**	-	**20,950**	-
	Listing Fee-Government bonds	**1,362,065**	1,081,983	**1,362,065**	1,081,983
		1,383,015	1,081,983	**1,383,015**	1,081,983
(b)	Trade payables				
	Accruals	**1,166,422**	640,593	**794,594**	508,776
	Trade Payables	**93,159**	34,643	**56,079**	2,118
		1,259,581	675,236	**850,673**	510,894
	Total contract liabilities (a + b)	**2,025,613**	1,358,178	**1,616,705**	1,193,836

Contract liabilities as per IFRS 15, relates to the listing fee that DSE has received from companies who are on the process of listing to the exchange but the same has not yet been realized, DSE rules stipulates that the received fee from the company which is required to list will not be earned until the company is listed or upon expiration of the period of two years if the company failed to list.

25 TRADE AND OTHER PAYABLES

(b) Trade payables

Terms and conditions of the above liabilities:

Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice.

Accruals are non-interest bearing and have an average term of 30 days.

(c) Short term borrowing

	Year ended 31 December 2020	Year ended 31 December 2019	**Year Ended 31 December 2020**	Year ended 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Opening balance	-	150,000	-	150,000
Repayment during the year	-	(150,000)	-	(150,000)
Closing balance	-	-	-	-

26 RELATED PARTY TRANSACTIONS

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the exchange, directly or indirectly of the exchange.

i. Executive Key Personnel

	Year ended 31 December 2020	Year ended 31 December 2019	**Year Ended 31 December 2020**	Year ended 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Short-term employee benefits (salaries and allowances)	**1,064,090**	1,054,647	**790,223**	754,599
Post-employment benefits (defined contribution plans)	**151,890**	142,800	**110,810**	105,936
	1,215,980	1,197,447	**901,033**	860,535

ii. Director fee

Directors' fees	**165,075**	121,200	**129,500**	87,500
	165,075	121,200	**129,500**	87,500

27 EARNINGS PER SHARE

Basic Earnings per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Exchange by the weighted average number of ordinary shares outstanding during the period. DSE does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the ordinary shareholders of the exchange.

	As at 31 December 2020	As at 31 December 2019	**As at 31 December 2020**	As at 31 December 2019
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Net profit attributable to shareholders (TZS)	**4,639,045**	3,547,980	**4,533,069**	3,228,189
Weighted average number of ordinary shares in issue (note 24)	**23,824**	23,824	**23,824**	23,824
Basic/diluted earnings per share (TZS)	**194.72**	148.92	**190.27**	135.50
Dividends paid	**1,772,996**	878,844	**1,772,996**	878,844
Dividend per share	**74.46**	37	**74.46**	37

In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange
on 12th July 2016. Earnings per share have been calculated for the current period and previous period.

DIVIDEND PAID

During its 5th Dar es Salaam Stock Exchange Plc (DSE) Annual General Meeting, the DSE Shareholders approved a final dividend of TZS 74.46 per share (2019 TZS 37). That amounted to TZS 1,772 million Date of payment was 14th August 2020.

28 COMMITMENTS

Capital commitment

Acquisition of an office

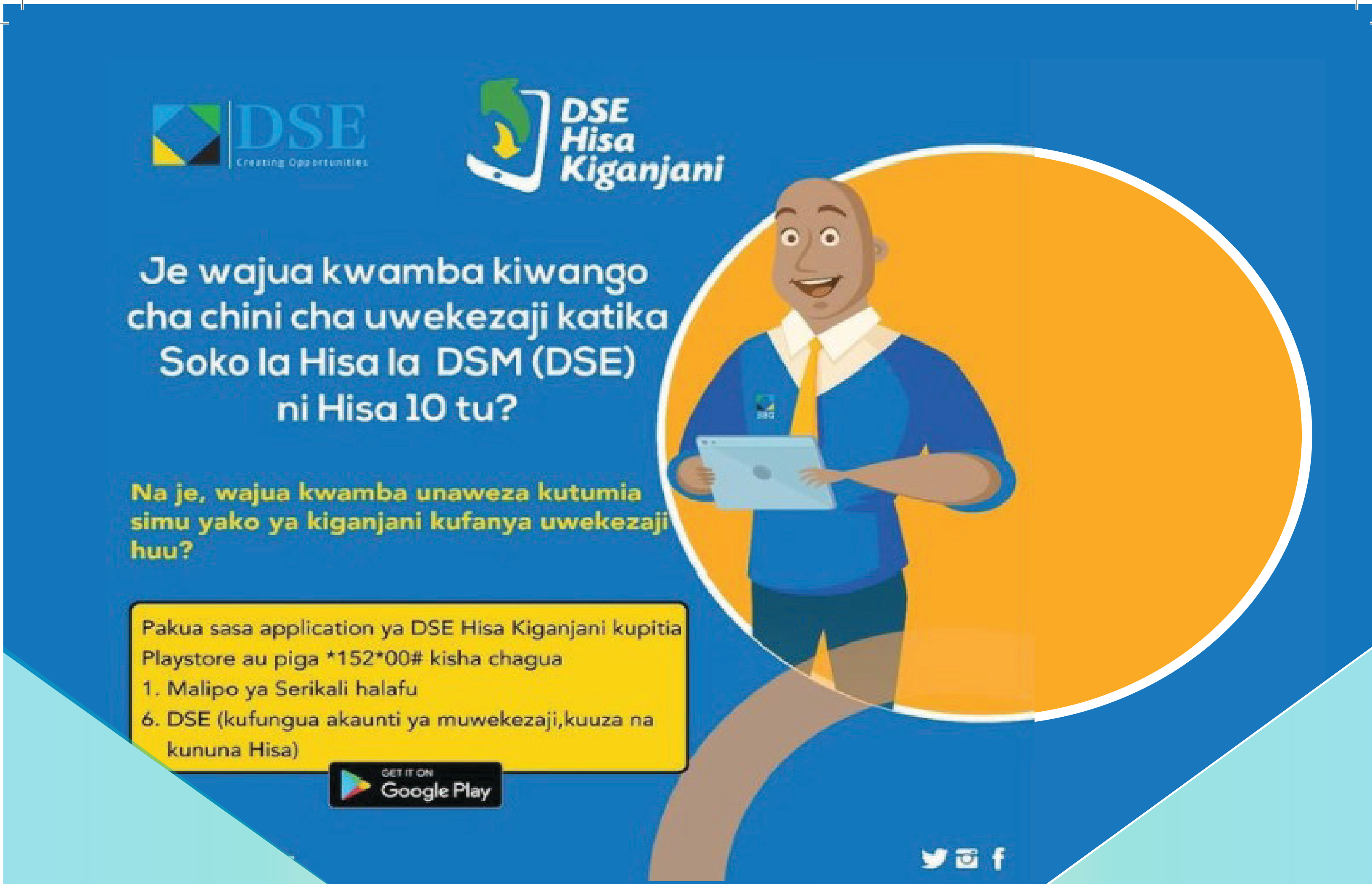
The Exchange has entered into an agreement with the National Housing Corporation to purchase an office space at the Morocco Square project currently under construction. The space to be acquired is 900 SQM which is expected to cost USD 2,124,000/=. The Exchange has already settled the first and the second instalments to the acquisition amounting to USD 1,274,400 which is 60% of the total cost and therefore there is a commitment of USD 849,600.

29 IMPACT OF COVID 19

This financial statement is being released at a time when people around the world continue to struggle with the covid-19 pandemic. During the reporting year, the Group implemented numerous measures to slow the spread of the virus and protect employees and customers. The transaction volumes on equity bonds was relatively un-impacted due to decision taken by the government not to enter the lockdowns and continue with business as usual while observing COVID 19 protocols as issued by Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC). Management assessed and concluded that as a result of the pandemic there were no significant impact that was evident on Companies accounting estimates and policies

30 SUBSEQUENT EVENTS

Subsequent to reporting date, there is no any event that amounts to recognition or disclosure in these financial statements.



Dar es Salaam Stock Exchange,
3rd Floor, NHC Corporate Office, Kambarage House, 6 Ufukoni Street,
P. O. Box 70081, Dar es Salaam, Tanzania
Tel: 255 22 2123983, 2128522

For Complains
:0747 536 696
Email: complains@dse.co.tz | **Fax:** +255 22 213384
Email: info@dse.co.tz | **Website:** http://www.dse.co.tz