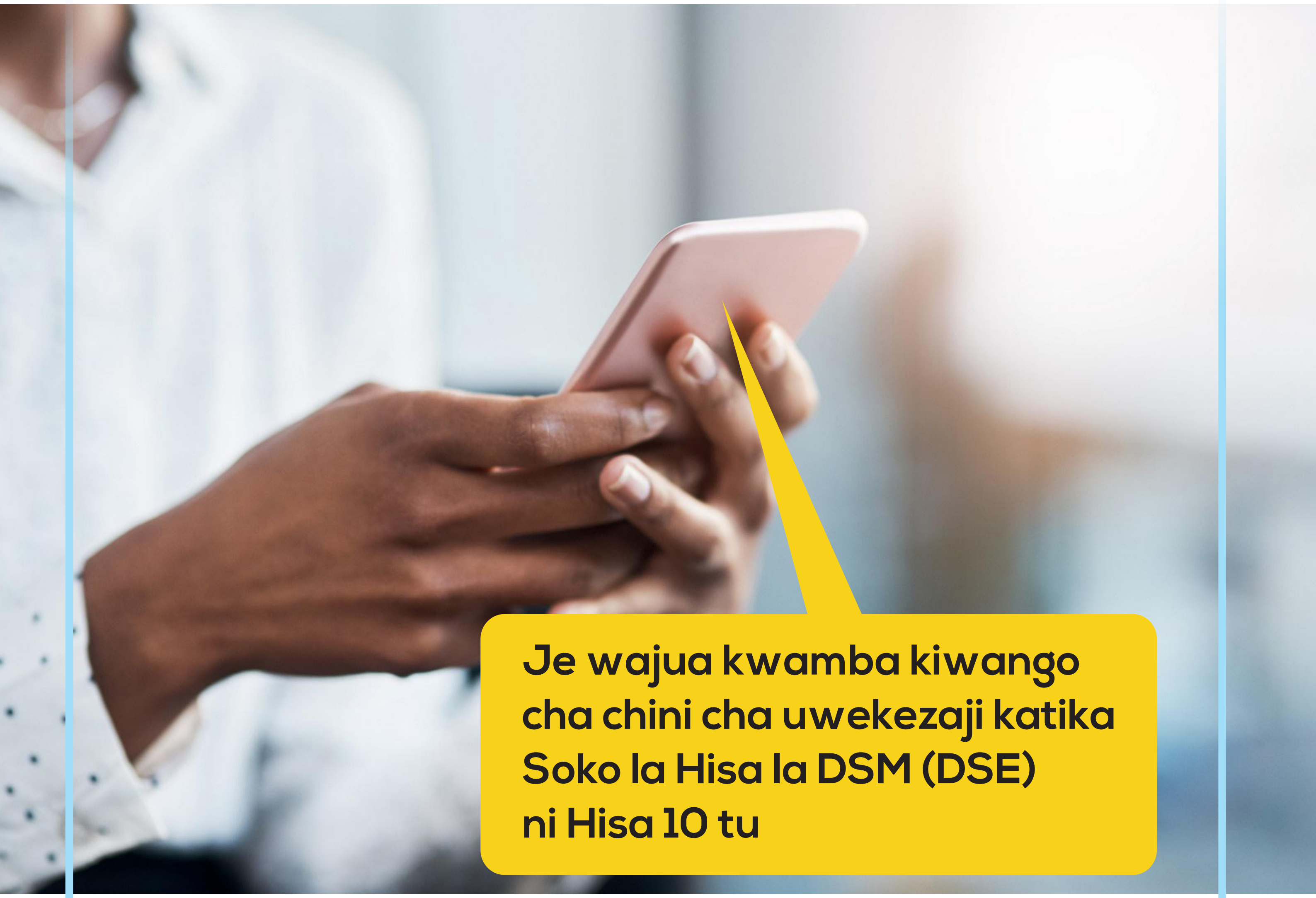
DSE
Creating Opportunities

ANNUAL REPORT 2021

FOR THE YEAR ENDED 31 DECEMBER 2021

DSE
Creating Opportunities

DSE Hisa Kiganjani



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)

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DSE

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ANNUAL REPORT 2021

FOR THE YEAR ENDED 31 DECEMBER 2021

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Introduction

It is a great privilege to lead the Board of Directors of the Dar es Salaam Stock Exchange Public Limited Company (DSE) I am glad to present to you the Annual Report and the Audited Financial Statements of the DSE for the financial year ended 31st December 2021. The 2021 financial year was the fourth 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 our Shareholders and 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 2021 financial year was the fourth 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 pursuing listing of equities and bonds, to ensure stability and sustainability of the ICT systems developed during the year 2020. These include the request for quotation (RFQ) and mobile trading platform (MTP) for equity and bonds, Basic Investment and Securities Trading (BIST) Online system, DSE Scholars' Investment Challenge (SIC) Platform, and data recovery system (DRS) Automated Fail-over. We have also been able to create additional liquidity, enhance bond trading support services to market participants by admitting new banks to apply as bonds dealer licenses and DSE membership and enhancement of the RFQ system to enable pre-trade transparency.

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 2021, 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 8th March 2021.

Operating Environment and Financial Performance

Tanzania has fared relatively well compared to its regional peers despite the COVID-19 pandemic-induced shock which slowed Tanzania's GDP growth rate since 2020. In year 2021, the economy was still on the recovery stage due to the effect of the pandemic but managed to register a Gross Domestic product (GDP) growth of 4.1 percent which is well above other regional economies. The evolution of the pandemic and the pace of vaccination, both globally and domestically as well as limited domestic lockdown were crucial factors driving the growth. The shift in the government's approach to COVID-19, its renewed focus on regional trade and cooperation, and its commitment to domestic policy reforms designed to improve the business environment have somewhat lessened downside risks.

In the backdrop of the COVID-19 global pandemic the Exchange experienced a decrease in performance in the stock market activity in equity segment (about 83%) but with an improved performance in the bonds trading of about 88% in trading values. The trading volume was 2% of domestic market capitalization for equity and 23% of outstanding bonds. During the year 2021 DSE Group registered performance with a before tax profit of TZS 4,037 million, albeit a decrease of 16% compared to before-tax profit of TZS 4,807 million in year 2020.

On shareholders' value enhancement, DSE attained a 15% return on equity and 14% return on assets translating to earnings per share of TZS 167.78. Part of this value is going to be returned to shareholders in the form of a dividend.

Future Outlook and Sustainability

The Board is optimistic that the Exchange's performance will continue improving in the years ahead and remains confident with the government's approach to COVID-19.

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 is 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 several areas including request for quotation, MTP 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 exchanges.

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.

Board Chairman
Dr. Ellinami Minja

25/04/2022

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 S. Mniwasa
Company Secretary

Introduction

I am pleased to present to you the highlight of the performance for the year 2021 in aspect of market and financial performance. The year 2021 was the fourth year of implementation of our Five-year Strategic Plan II (2018 - 2022).

In terms of market performance, trading value decreased to TZS 104 billion from turnover of TZS 591 billion in 2020; this being due to among others, the one-off transaction in 2020, the impact of COVID-19 Pandemic on the decline in foreign investors participation who contribute significantly on the equity liquidity. However, in secondary bonds market segment, bonds turnover (in trading value) increased by 21 per cent to TZS 2,572 billion in 2021 from turnover of TZS 2,124 billion in 2020.

Listing fee accounted for 41 per cent of total revenue for 2021 compared to 35 per cent in 2020, transactions fees accounted 9 per cent compared to 21 per cent while investment income accounted for 33 per cent of or total revenue compared to 24 per cent in year 2020.

Total market capitalization increased by 5 per cent from TZS 15,095 billion as of 31st December 2020 to TZS 15,809 billion as of 31st December 2021, this was due to increase in prices. On the other hand, the Domestic Market capitalization increased by 3 per cent, from TZS 9,162 billion in on 31st December 2020 to TZS 9,426 billion on 31st December 2021, major reasons for increase being the increase in share prices and valuations for some domestic listed companies.

Outstanding Treasury bonds increased from TZS 12,666 billion as of 31st December 2020 to TZS 15,134 billion as of 31st December 2021. Corporate bonds decreased from TZS 143 billion to TZS 114 billion as of 31st December 2021, corporate bonds decreased due to maturity of some of listed corporate bonds.

Financial Performance

Total income decreased by 13 percent from the revenue of TZS 10.05 billion in 2020 to the income of TZS 8.77 billion in 2021. The profit before tax decreased marginally to TZS 4.04 billion compared to a profit before tax of TZS 4.81 billion in 2021. Despite of the decline in the earnings in year 2021, the Group still managed to record strong financial performance due to management efforts and initiatives to diversify its revenue base and allocating expenses in a cost-conscious manner, coupled with efficient management of our investment portfolio and improvement in bond trading.

Following continued good performance, the DSE share price increased by 48% during year 2021, from TZS 880 in December 2020 to TZS 1,300 per share in December 2021. This resulted into an increase in shareholders' book value of TZS 10 billion i.e., from the market capitalization of TZS 21 billion in 2020 to a market capitalization of TZS 31 billion in 2021.

Planned and Implemented Activities in Year 2021

During the year the following strategic initiatives were implemented by DSE: (i) Coordinated and implemented training to SMEs owners and Managers via DSE Enterprise Acceleration Program-DEAP ''ENDELEZA"; (ii) Established the Pre-IPO segment and listed nine private companies looking for private capital; (iii) Registered DSE Logos, names and the mobile trading platform ''Hisa Kiganjani" as intellectual properties; (iv)Supported ICT infrastructures for trading , custody and settlement purpose; (v) Enhanced implementation of international standards; and (vi) Monitored cost control and efficiency for achieving the targeted earnings.

Outlook

In 2022 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 2022, the DSE Group focus will be on implementing the following key initiatives: (i) Implementation of the DSE Revised Rules, 2022; (ii) Provide enabling environment for listing of sustainable themed/labelled financial instruments; (iii) Pursue liquidity enhancement of both equity and debt market segments; (iv) Prepare the DSE Five year strategic Plan III (2023-2027); (v) Enhance diversity of CSR Products and services (vi) Ensure enhanced compliance and risk management process; and (vii) Enhance efficient utilization of DSE financial human and other resources.

Appreciation

I would like to thank all our stakeholders for their unwavering support in 2021 as we continue to work hard to build a more resilient and prosperous company. As we embark in 2022, I would like to thank my team at DSE for making 2021 a success and look forward to next phase of our journey.

I would like to thank all our stakeholders for their support and confidence 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), 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.

Moremi Marwa

Chief Executive Officer

Date: 25/04/2022

MANAGEMENT

Mr. Moremi Marwa
Chief Executive Officer

Mr. Ibrahim Mshindo
Director of Business Development

Mrs. Mary S. Mniwasa
Chief Legal Counsel

Mr. Lucas Sinkala
Head of Finance

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 Public Limited Company ("DSE or Exchange") have the pleasure to present its report together with the audited financial statements for the year ended 31 December 2021 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 Public Limited Company 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 Public Limited Company and subsequently issued shares to the public and self-listed 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 and subsequently list into the Exchange.

6. RESULTS AND DIVIDENDS

The after tax of TZS 3,997 million (2020: TZS 4,639) has been added to the retained earnings, during the year 2021, the directors paid a final dividend of TZS 2,783 Million for year 2020 performance results (2019: TZS 1,773 Million), the increase of 57%, the dividend paid for year 2020 is equivalent to the per share dividend of TZS 116.83 (2019: TZS 74.46).The directors for year 2021 are proposing the final dividend of 60% of Group after tax profit i.e. TZS 2,398 Million that is equivalent to per share dividend of TZS 100.67.

7. FINANCIAL PERFOMANCE FOR THE YEAR

Statement of profit or loss and other comprehensive income

During the year ended 31 December 2021 the Group recorded a total income of TZS 8,771 Million (2020: TZS 10,053 Million), the decrease in income was due to decrease in turnover on equity market segment, the market transacted shares with value of TZS 104 Billion in year 2021 (2020: 591 Billion). The previous year transactions were higher following the one-off pre-arranged transaction on the equity market (On NMB Block Trade).

During the year ended 31 December 2021 the Group incurred total expenses of TZS 4,734 Million (2020: TZS 5,246 Million), the total expenses was lower than the previous year expenses due to decrease in expenses in areas that varies with the level of activities e.g. the Automatic Trading System (ATS) license fee that depends on the transactions fees on equity and bonds, the 2021 had less turnover on equity hence the Group incurred less expenses on the ATS License fee, on top of that various cost management measures that was implemented during the period led to the decrease in total expenses for year 2021 compared to the year 2020.

During the year ended 31 December 2021 the DSE Group recorded a before tax profit of TZS 4,037 Million (2020: TZS 4,807 Million) and after tax profit of TZS 3,997 Million (2020: TZS 4,639 Million). The decrease on profit was mainly attributed by decrease in turnover on the equity market segments.

7. FINANCIAL PERFOMANCE FOR THE YEAR (CONTINUED)

Statement of financial position

(i) During the year 2021, the total asset of the DSE Group grew to TZS 29,164 Million from TZS 28,424 Million, the growth of 3%, the increase was due to the increase in the investment in the government securities from the funds obtained from the operations.

(ii) During the year the Non-current assets increased to TZS 13,460 Million from TZS 8,543 Million, the growth of 58%, while the current assets decreased to 15,704 Million in year 2021 from TZS 19,881 Million in year 2020, the decline of 21%, the decrease in the current assets was due to decision to diversify Group investment portfolio from the investment in the fixed deposits with maturity of not more than one year to the investment in the long term government securities (T-bonds) with maturity of more than a year.

(iii) The property plant and equipment's decreased during the year as the same continues to be depreciated

The DSE Group performance in relation to the budget is outlined below:

Comparison between Actual and Budget for year 2021 (TZS Million)			
	2021	2021	2021
	Actual	Budget	% of Variance
Total Income	8,771	9,445	(7%)
Total Expenses	4,734	5,733	(17%)
Profit Before Tax	4,037	3,712	9%
Corporate Tax	40	75	(47%)
Profit After Tax	3,997	3,637	10%

During the year ended 31 December 2021, the DSE Group recorded a total Income of TZS 8,771 million (budget: TZS 9,445 million), the total income was less than the budget by 7% due to decline in equity turnover, the actual turnover was TZS 104 billion against the budgeted turnover of TZS 229 billion (Lower by 55%). Further, the lower amount that was realised in the dividend processing fee contributed to non-realisation of targeted income, the actual dividend processing fee was TZS 195 million against the budgeted amount of TZS 332 million (Lower by 41%).

During the year ended 31 December 2021, the DSE Group incurred total expenses of TZS 4,734 Million (Budget: TZS 5,733 Million), the expenses were lower than the budget by 15%, because of efficient in the management of our expenses and decrease of some operating costs such as ATS Licenses fee which are directly linked to income generating activities.

The Group financial performance highlights from the year 2018 to year 2021

	2018	2019	2020	2021
Market Closing Price	1,400	980	880	1,300
Number of Shares in Issue	23,824,000	23,824,000	23,824,000	23,824,000

	Summary of Key Ratios				
Performance Indicator	Calculate Method	2018	2019	2020	2021
Return on Equity	PAT/Equity	9%	16%	19%	15%
Return on Assets	PAT/ Total Assets	8%	15%	16%	14%
Cost to Income	Total cost/Total Income	71%	56%	52%	54%

	Share performance ratio					
	Calculated Method		2018	2019	2020	2021
Earnings per share	PAT/No of Shares	TZS	74	149	195	167
Dividend Per Share	Dividend/No of Shares	TZS	58	37	74	116
Dividend (Cover times)	EPS/Dividend per share	Times	1.3	4.0	2.6	1.4
Dividend Yield	Dividend Per share/Closing Price	%	4%	3.8%	8.4%	8.9%
Price Earnings Ratio	Closing share Price/EPS	Times	18.9	6.5	4.5	7.8
Net asset value per share (NAV)	Net Assets/ No of shares in issue	TZS	819	926	1,046	1,096
Price to Book Value	Closing share price/Net asset value per share	Times	1.7	1.1	0.8	1.2
Market Capitalization	Closing share price times No of shares in issue	Millions	33,354	23,348	20,965	30,971

From the above table, both returns to shareholders and assets declined from 19% and 16% to 15% and14% respectively in year 2021, the declined has been attributed by the decline in the profitability in year 2021.

The DSE closed with the market stock price of TZS 1,300 compared to the last year market stock price of TZS 880, the increase in price, by 48%, has increased the DSE market capitalization from TZS 21 billion in year 2020 to TZS 31 billion in year 2021.

Price earnings ratio increased from 4.5 in year 2020 to 7.8 in year 2021, the increase was mainly due to increase in the market price, this led to the value of DSE Group to increase by TZS 10 billion in 2021 compared to 2020.

Statement of cash flows

(i) During the year, the group had positive cash flow generated from the operating activities of TZS 2,515 Million (2020: TZS 1,280 Million), this was attributed by the funds collected from the outstanding receivables with customers.

(ii) The Group had also the positive cash flow from its fund generated in the investing activities of TZS 134 Million (2020: TZS 178 Million), this was due to the fund received from the short-term investments.

(iii) The Group used the funds that was generated from the operating and investing activities to pay for the dividends to shareholders, the net amount of outflow from the financing activities for year 2021 was TZS 2,783 Million (2020: TZS 1,773 Million).

7. VALUE ADDED

Value added results for the Group during 2021 for its operations and serving as well as servicing its various stakeholders are;

Details	2021	2020
Value Added	TZS' Million	TZS' Million
Income realised from Exchange operations	8,771	10,053
Value allocated to different Stakeholders		
To Human Capital		
Salaries and Wages	2,231	2,100
To Government		
Taxes to Government	1,604	978
To Shareholders		
Dividend to Shareholders (excluding Government)	2,366	1,507
Dividend to Government	417	266

Taxes to Governments includes PAYE, SDL, Corporate Tax, VAT and other taxes that were paid by the Group

8. MARKET PERFORMANCE

The Market Operational performance of the Exchange during the year 2018 to 2021 was as highlighted on the table below:

Particular		**2018**	**2019**	**2020**	**2021**
Market capitalization	TZS (billions)	19,677	17,105	15,095	15,809
Domestic Market capitalization	(TZS billions)	9,696	9,011	9,162	9,426
Value of shares traded	(TZS billions)	208	625	591	104
Value of bonds traded	(TZS billions)	969	1,092	2,070	2,562
Value of outstanding listed bonds	(TZS billions)	9,436	10,532	12,666	15,243
All shares index	(DSEI) (Points)	2,041	2,059	1,817	1,897
Tanzania share index	(TSI) (Points)	3,691	3,431	3,485	3,565

9. INVESTMENT MANAGEMENT POLICY (TREASURY MANAGEMENT)

The Group treasury management is being guided by the Investment Management policy. The policy guides the management in the investment of the Group liquid asset. It further, provides the guidelines, limits, ratios and criteria for optimal utilization of the organization funds.

The policy guides the management to invest at least 70% of its established excess funds from its operational revenue and other sources.

The Group current has 59% of its investment in the fixed deposits with Banks and 41% invested in Government Securities (Treasury-Bonds), hence credit risk is a major principal risk. Other risks faced by the DSE from its treasury management activities are liquidity, inflation, and market risks.

The following are mitigation measure for the above-mentioned risk that are covered under Group investment management policy:

9. INVESTMENT MANAGEMENT POLICY (TREASURY MANAGEMENT) (CONTINUED)

	Type of Risk	Mitigation Measure
a)	Credit Risk	DSE Investment Management Committee will ensure placement of Fixed Deposits (FDR) is made with commercial banks approved by the Board
b)	Interest Risk	Ensure investment maturities are staggered to avoid maturities concentrations; Ensure investment allocation to investment types as prescribed by this Policy to maximize interest return; Have a portfolio diversification as prescribed by the Policy
c)	Inflation Risk	Ensure investments are made in assets class that gives a return of 1% above inflation rate as prescribed by the Policy.
d)	Liquidity Risk	Ensure investment maturities coincide with operational and strategic cash requirement. Also ensure investment is made to commercial banks that have sufficient liquidity ratios as prescribed by the Bank of Tanzania.

10. BUSINESS OBJECTIVES AND STRATEGIES

The Exchange vision is 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.
In order to maximize the shareholders values, the Exchange has set goals and strategies to deliver sustainable profitable growth and during the year the board has been able to achieve the below strategic objectives set out in the 2018 to 2022 five-year strategic plan:

(i) Coordinated and implemented training to SMEs owners and Managers via DSE Enterprise Acceleration Program-DEAP ''ENDELEZA"

(ii) Established the Pre-IPO segment and listed nine private companies looking for private capital

(iii) Registered DSE Logos, names and the mobile trading platform ''Hisa Kiganjani" as intellectual properties

(iv) Supported ICT infrastructures for trading, custody and settlement purpose

(v) Enhanced implementation of international standards

(vi) Monitored cost control and efficiency for achieving the targeted earning

In the year 2022, the exchange is planning to accomplish the following strategic objectives in order to enhance the shareholders values:

(i) Implementation of the DSE Revised Rules, 2022

(ii) Provide enabling environment for listing of sustainable themed/labelled financial instruments

(iii) Pursue liquidity enhancement of both equity and debt market segments

(iv) Prepare the DSE Five-year strategic Plan III (2023-2027)

(v) Enhance diversity of CSR Products and services

(vi) Ensure enhanced compliance and risk management process

(vii) Enhance efficient utilization of DSE financial human and other resources

11. FUTURE PROSPECTS AND DEVELOPMENTS

The Exchange long-term objectives has continued to improve the profitability through the Listings of more companies in both main investment market, Enterprise Growth market and Bonds Segments , increasing the number of bonds traders, enhancing liquidity in the market through development of platforms like mobile trading platform that enables investors to buy and sell shares without physically visiting the Brokers office, reviewing the DSE rules for improving the liquidity in the equities and bonds market segments and automation of data vending services by enabling clients to access the data through mobile platform, websites and providing convenient way of making payments through mobile wallet.

With a view of extending its profitability, the Exchange in 2022 will enhance its data vending services and training unit with the objectives of increasing the revenue contributions from the current percentage revenue contributions of less than 1% to more than 5% in the period of 2 years.

12. CORPORATE GOVERNANCE

All Board members, except the Chief Executive Officer (CEO), were Non-Executive Directors. 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.

13. 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
Dr. Elinami Minja	Chairman	PhD. (Economics), CPA (T), MBA, B.Com (Accounting)	Tanzanian	57	20 March 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	67	11 July 2019
Ms. Beng'i Mazana Issa	Non-Ex. Director	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian	55	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	68	9 August 2019
Mr. Layson Mwanjisi	Non-Ex. Director	ACPA, MBA, B.Com (Accounting)	Tanzanian	45	9 August 2019
Mr.Moremi Marwa	CEO -Executive Director	MBA (Finance), ACPA, B.Com (Accounting)	Tanzanian	45	20 May 2013

The Group paid a total of TZS 170,700,000 as Directors' fees (2020: TZS 165,075,002).

14. MEETINGS AND ACTIVITIES OF THE BOARDS

The board met 6 times during the period January 2021 to 31 December 2021 as indicated below

Name	26 February 2021	12 March 2021	28 May2021	18 June 2021	27 August 2021	26 November 2021
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 2021.

(a) Listing and Trading Committee (LTC)

Name	Position	Qualifications	Nationality
Dr. Abdiel Abayo	Chairman	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

The LTC Committee reports to the DSE Board. The LTC Committee met Six (6) 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 Committee met four (4) times to discuss various issues on staff matters and application of the new associate members.

14. MEETINGS AND ACTIVITIES OF THE BOARDS (CONTINUED)

(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 four (4) 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 31 December 2021.

15. DIRECTORS EVALUATION AND TRAINING

The Board itself regularly undergoes self-assessment and evaluation in order to improve the internal Governance of the Board.

Training is provided in order to ensure the Board keeps abreast with current developments in the market. In 2021, trainings were held for the Directors. These included training in leadership, governance and risk management.

16. MANAGEMENT

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

(i) Finance Department;

(i) Legal and Company Secretariat Department;

(ii) Business Development Department;

(iii) Trading and Market Control Department;

(iv) ICT Department;

(v) Internal Audit Department;

(vi) Human Resources and Administration Department;

(vii) Risk and Compliance Unit.

17. SOLVENCY/LIQUIDITY

DSE Public Limited Company's is financed solely from its shareholder's funds and internally generated income from the operation and investments. These funds are used to run DSE's operations with a view to generate profits and distribution to shareholders in term of dividends payments. As at December 31, 2021, these stood at Issued Share Capital of TZS. 9,530 Million, Share Premium of TZS. 1,850 Million And Retained Earnings of TZS. 14,519 Million. Financial resources are required to meet the DSE objectives that incudes to operate the business, support growth, expansion and innovation.

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.

18. 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.

19. CAPITAL STRUCTURE

Dar es Salaam Stock Exchange Public Limited Company (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 Public Limited Company and subsequently 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 capital structure of the Company is outlined in Note 24

DSE's shareholding structure as of 31 December 2021 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	National Investments Company Limited	1,285,831	5%
5	General Public	13,755,214	60%
Total		**23,824,000**	**100%**

20. STAKEHOLDERS RELATIONSHIP

DSE actively engages with its key stakeholder groups. The Financial Sector Deepening Trust Tanzania (FSDT) has been a key partner in the implementation of DSE Acceleration Program, Endeleza Program and the development of DSE Mobile trading platform as the FSDT Funded the two projects that were successfully implemented. DSE also engaged with Electronic Government Agency (EGA) in the development of the mobile trading platform and the HISA Kiganjani App. Currently the DSE is engaging the FSD Africa to help to prepare guideline for issuance and listing of Green and sustainability-linked bonds.

The United Nations Sustainable Stock Exchanges Initiative (UN SSE) to encourage sustainable running of stock exchanges and also work closely with Committee of SADC Stock Exchanges (CoSSE) to develop the SADC Green Bond Guidelines that will be harmonised to apply in all jurisdictions of CoSSE Members.

The African Securities Exchanges Association (ASEA) and sits in several working groups of the World Federation of Exchanges (WFE), influencing global policies affecting world exchanges.

21. 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:

(i) The effectiveness and efficiency of operations;
(ii) The safeguarding of the Exchange's assets;
(iii) Compliance with applicable laws and regulations;
(iv) The reliability of accounting records;
(v) Business sustainability under normal as well as adverse conditions; and
(vi) 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 2021 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.
A summary of the risk management procedures is disclosed in Note 6

22. TECHNOLOGY AND INNOVATION

The DSE core operations has the robust ICT infrastructures that comprises the Automated Trading System (ATS), the CSD System, Registry services system, Accounting system and the Human Resources Management System coupled with comprehensive software, hardware and disaster recovery resources.

Innovation is one of the top priorities of DSE and in year 2021 DSE was able to develop its own online training platform for Basic Investment Securities Training (BIST); DSE Hisa Kiganjani Applications that facilitates the buying and selling of shares through the use of mobile applications and developed our own system for conducting the Student Investment Challenges (SIC).

DSE have further enhanced its Mobile Trading Platform (MTP) by including the bond trading segment for the retail investors and the data vending services. Previous the MTP could only accommodate equity trading, the enhancement aims at providing convenient to investors who wants to buy and sales securities without necessary visiting the office premises, DSE further implemented
the failover solution for data replication and back up for both hardware and software and enhanced its core Automated trading system (ATS) and CSD and registry system in order to prevent and mitigate risks.

23. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

DSE remain conscious of Environmental, Social and Governance issues and in so doing the DSE partner with the other stakeholders like World Federation of Exchange (WFE), UN-Women and women-GLN in promoting gender equality and women empowerment in the society. In the year 2021 the DSE organized the Ringing the Bell for Gender Equality event with the theme ‘’ Women in Leadership - Achieving an Equal Future in a Challenging World” The event held at DSE on 8th March 2021 with the Chief Guest Hon. Judge Joaquine A. De’mello.

In efforts to empower women and promote sustainable development in the society the DSE have developed the Rules in the market that promote and facilitate the issuance and listing of the Sustainable Bonds.

The DSE rules for Sustainable Bonds have facilitated the issuance of the Jasiri Bond by the NMB Bank Public Limited Company, the proceeds of Jasiri bond will be used to extend affordable financing for women-owned or women-controlled enterprises and/or businesses whose products or services directly impact a woman.

24. CORPORATE SOCIAL RESPONSIBILITY

The DSE conscious of encouraging good corporate citizenship, in 2021 supported the efforts of the President for profiling the country by contributing amount of TZS 50 million for the Royal Tour and DSE also enabled students from Schools, Universities and other 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. The DSE also allocated its resources in building financial capacity and financial literacy to students and the public at large.

25. EMPLOYEES WELFARE

Health and Medical Care

The DSE provides medical insurance to staff and their families through Strategis Insurance (Tanzania) Limited. This is a renewable one-year contract. During the period, services received from the service providers were generally satisfactory.

Pensions Contributions

The employee and employer contribute to NSSF. The Group does not contribute to any other Pension Fund.

Staff Complement

As at 31st December 2021, the DSE Group had 30 employees, out of which 9 were female and 21 were male. In 2020 a total 31 staff; 9 staff were female and 22 were male. The number of staff decreased during the year due to occurrence of death of 2 staff (The Driver and Receptionist). The DSE covered all the funeral related costs to the 2 staff who passed away.

26. RELATED PARTY TRANSACTIONS

Details of the related party of transactions and balances are included in Note 26

27. RESOURCE

The group has employees with appropriate skills and experience in running the Exchange and are a key resource available to the Exchange and these resources facilitate the enhancement of shareholders value by ensuring the organization is achieving its sets objectives both short term and long run.

28. 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 2022 will be done at the Annual General Meeting. There is no rotation requirement for the external auditor.

The details address for the auditors are as set below:

PricewaterhouseCoopers, Pemba House,
369 Toure Drive, Oysterbay,
P.O. Box 45, Dar-es-Salaam, Tanzania
Telephone: +255 (22) 2192000, Fax: +255 (22) 2192200,
Email: info@pwc.co.tz, www.pwc.com/tz,
VAT Number: 10-009908-I
TIN Number: 100-212-285

29. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Company.

By Order of Those Charged with Governance

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

....	25/04/2022 ....
Dr. Elinami Minja	Date
....	25/04/2022 ....
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:

....	25/04/2022 ....
Dr. Elinami Minja	Date
....	25/04/2022 ....
Mr. Moremi Marwa	Date

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 Public Limited Company hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 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 Public Limited Company for the year ended 31 December 2021 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: Head of Finance

NBAA Membership No.: ACPA 3689

Date: 25/04/2022

DAR ES SALAAM STOCK EXCHANGE PUBLIC LIMITED COMPANY'S (DSE) APPROACH TO SUSTAINABILITY REPORTING IN YEAR 2021

Sustainable business practices contribute to positive results to companies, communities and economies. These outcomes are brought by among others, the sound environmental, governance and social initiatives with communities within which companies operates which ultimately, supports the ambition to achieve profitable long-term growth, value creation and enhanced relationship with stakeholders.

In year 2016 the DSE became a Partner Exchange in the UN-Sustainable Stock Exchanges (UNSSE) Initiative, which among others requires stock exchanges to embrace and also prioritize sustainability issues within the governance and operations.

It is therefore DSE's Mission to lead by example through integrating sustainability into its strategic plan and ensuring that sustainable business practices are embedded into the operating and financial practices of our members through awareness and reporting.

In order to ensure sustainable business practices, the DSE commenced the implementation of some elements of Sustainable Development Goals (SDG's), which are applicable to stock exchanges (as recommended by the UN-Sustainable Stock Exchanges Initiative – UN-SSE). The goals include: SDG 5: Gender equality; SDG 8: Decent work and economic growth; SDG12: Responsible consumption and production; SDG13: Climate action; SDG 17: Partnerships for the goals.

In 2021, among other initiatives, the DSE pursued promoting of : gender equality; enhancing the capacity of Small and Medium Enterprises (SMEs) for their sustainable growth through various initiatives; reporting on environmental, social and governance practices by DSE and its listed companies; creating a roadmap towards issuance of sustainability – themed financial products as a way to mitigate the impacts of climate change; ensuring social equity, sustainable business practices – including good corporate governance etc.; leveraging on partnerships with other capital market stakeholders.

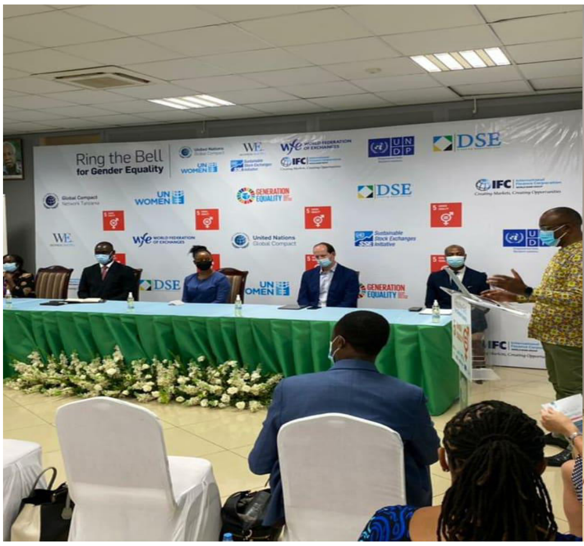
SDG 5: Gender Equality

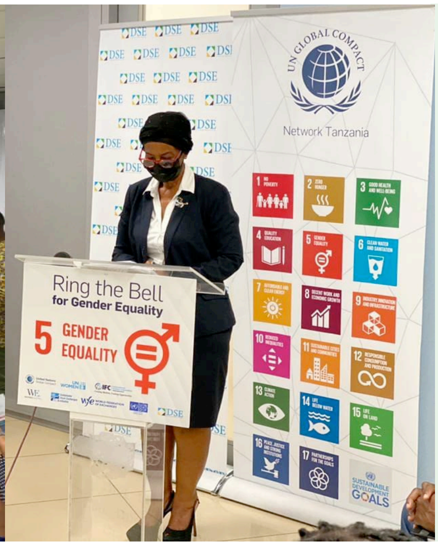
Gender equality makes business sense as it increases productivity and return on investment for businesses. The DSE is working to ensure diversity and gender equality through: promoting equal representation of both genders in the organization; equal consideration of both genders in available positions; and having in place policies and systems that support a gender balanced environment.

As of 2021, 32.14% of staff are female and 67.86% are male. At Board level 12.5% of Directors are female and 87.5% are male. The DSE has set targets to ensure that these statistics are enhanced to achieve at least 40% representation of women by 2027.

Apart from ensuring diversity within the organization, the DSE further ensures awareness on diversity and gender equality among its members through annual sustainability trainings and events such as the Ring the Bell for Gender Equality that is conducted annually in collaboration with UN-Women, UN-SSE, UN-Global Compact, and WFE. Through these initiatives, the DSE is able to communicate the importance and relevance of gender equality in business and its continuity.

DAR ES SALAAM STOCK EXCHANGE PUBLIC LIMITED COMPANY'S (DSE) APPROACH TO SUSTAINABILITY REPORTING IN YEAR 2021 (CONTINUED)





Ringing the bell for gender equality held at the DSE on 8th March 2021 themed: "Women in Leadership - Achieving an Equal Future in a Challenging World". The event was with the Chief Guest Hon. Judge Joaquine A. De'mello.

SDG 8: Decent work and economic growth

In 2021, the DSE focused on enhancing capacity of SMEs to ensure their growth and sustainable development. According to World Bank, formal SMEs contribute to at least 60% of the employment and 40% of national income (GDP) in emerging economies. However, SMEs face challenges in the access of finance. In understanding this, the DSE developed various initiatives such as DSE Enterprise Acceleration Program "DEAP", a tailor-made training program aimed at building capacity to owners and management on how to manage and run their business sustainably in order to attract various forms of capital finance. The DSE also established the SMEs Acceleration Segment "ENDELEZA", a pre-IPO segment designed to enhance visibility and profile of the SMEs in order access to specialized capital raising advisory services to build capacity of the SMEs, assist the SMEs in obtaining capital and further encourage their sustainable growth.

Since the start-up of DEAP in 2020, a total of 35 SME's has been enrolled to the DEAP program, while 10 SMEs have been admitted to the ENDELEZA segment.

Launch of the DSE DSE SMEs Acceleration Segment "ENDELEZA" held at DSE in 2021. The event was graced by Mr. Nicodemus Mkama the CEO of CMSA.

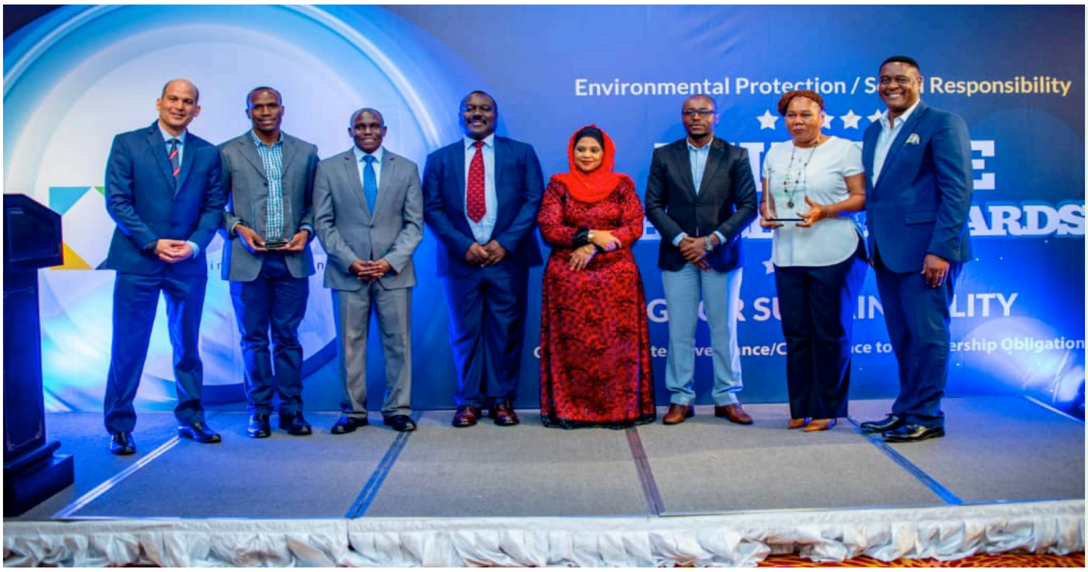
DAR ES SALAAM STOCK EXCHANGE PUBLIC LIMITED COMPANY'S (DSE) APPROACH TO SUSTAINABILITY REPORTING IN YEAR 2021 (CONTINUED)

SDG12: Responsible consumption and production

The DSE focused in promoting voluntary reporting on environmental, social and governance practices by its members through awareness sessions conducted annually. SE has also developed sustainability reporting guidelines for listed companies which are currently incorporated in the DSE Rules that will be applicable from the year 2022.

As per the DSE Rules, Sustainability Reporting will be mandatory for all listed companies. This action will ensure companies adopt and integrate sustainability into their practices and the reporting in order to enhance transparency and increase their ability to enhance long term value.

In building awareness towards mandatory sustainability reporting, the DSE conducts the DSE Members awards every two years, the event is aimed at awarding the best companies implementing sustainable business practices.



One of the DSE Members awards events; the event was graced by the Hon. Dr. Ashatu K. Kijaji, Minister for Information, Communications, and Information Technology.

SDG 13: Climate Action

The effects of climate change cannot be felt or resolved in isolation; it is for this reason that each stakeholder is to play an active role in reducing the impacts of climate change. The DSE, in supporting the nation and the global community, during 2021 focused on creating enabling environment for sustainable financing and investment through: initiating the development of guidelines for listing of green and sustainable bonds; and identification of the potential issuers. DSE plans to complete the guidelines and provide training to stakeholders and public awareness during 2022. It is our belief that, the efforts towards pursuing potential issuers in listing of green and sustainable bonds will materialize from 2022 onward.

SDG 17: Partnerships for the Goals

The DSE leverages on partnerships as key in achieving the SDGs. The DSE is a full Member to the World Federation of Exchanges (WFE), a Partner Exchange in the UN-Sustainable Stock Exchanges Initiative, and a member of regional bodies which include African Securities Exchanges Association (ASEA), Committee of SADC Stock Exchanges (COSSE), and the East Africa Stock Exchanges Association (EASEA).

Through these associations and partnerships, the DSE learns, share experience, and engage peer exchanges in promoting sustainability finance practices.

In achieving some specific initiatives, the DSE partners with various stakeholders which include the UN-Women, UN-SSE, UN-Global Compact, WFE, ASEA, etc., in promoting the implementation of relevant SDGs for exchanges and related institutions.

Independent auditor's report

To the Members of Dar es Salaam Stock Exchange Public Limited Company

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 Public Limited Company (the Company) and its subsidiary (together the Group) as at 31 December 2021, 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 Public Limited Company's Group and Company financial statements as set out on pages 28 to 77 comprise:

- the Group and Company statements of financial position as at 31 December 2021;
- 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.

Independent auditor's report (continued)

To the Members of Dar es Salaam Stock Exchange Public Limited Company

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, The Report by those charged with governance, Statement of directors' responsibilities, Declaration of head of finance and sustainable report 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:

Independent auditor’s report (continued)

To the Members of Dar es Salaam Stock Exchange Public Limited Company

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)

- 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.

- 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.

Independent auditor's report (continued)

To the Members of Dar es Salaam Stock Exchange Public Limited Company

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)

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 | 05 | 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		2021	2020	**2021**	2020
	Notes	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Revenue from contract with customers	7	**5,656,827**	7,464,358	**4,509,077**	5,777,320
Other income	8	**186,484**	172,221	**308,919**	279,871
Information technology costs	10(a)	**(280,506)**	(599,642)	**(227,742)**	(472,744)
Staff costs	9	**(3,145,874)**	(2,984,246)	**(2,450,060)**	(2,309,549)
Depreciation and amortisation	13,15&16	**(149,978)**	(240,666)	**(130,821)**	(224,795)
Expected credit losses	6a	**13,332**	(23,913)	**8,320**	(12,989)
Other expenses	10(b)	**(375,658)**	(553,072)	**(277,118)**	(214,480)
Operating expenses	10(c)	**(794,940)**	(844,165)	**(590,216)**	(624,405)
Operating profit		**1,109,687**	2,390,875	**1,150,359**	2,198,229
Finance income	11	**2,927,344**	2,416,186	**2,821,223**	2,334,840
Operating profit before tax		**4,037,031**	4,807,061	**3,971,582**	4,533,069
Income tax expense	12(a)	**(39,835)**	(168,016)	**-**	-
Net profit for the year		**3,997,196**	4,639,045	**3,971,582**	4,533,069
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Total comprehensive income		**3,997,196**	4,639,045	**3,971,582**	4,533,069
Basic earnings per share (TZS)	28	**167.78**	194.72	**166.71**	190.27
Diluted earnings per share (TZS)	28	**167.78**	194.72	**166.71**	190.27

The notes on pages 33 to 77 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company	
		2021	2020	**2021**	2020
ASSETS	**Notes**	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Non-current assets					
Property and equipment	13	**58,183**	86,060	**43,666**	76,050
Non-current prepayment	14	**2,819,584**	2,819,584	**2,819,584**	2,819,584
Intangible asset	15	**177,345**	263,367	**170,399**	244,515
Leasehold land and building	16	**322,973**	326,986	**322,973**	326,986
Investment in subsidiary	17	**-**	-	**227,867**	100,000
Government securities -	19(a)	**9,875,146**	4,895,956	**9,875,146**	4,895,956
Loan to DSE SACCOS	19(b)	**199,815**	143,190	**199,815**	143,190
Deferred tax asset	12(b)	**7,233**	8,207	**-**	-
		13,460,279	8,543,350	**13,659,450**	8,606,281
Current assets					
Trade receivables	18a	**952,521**	2,796,215	**674,410**	1,958,723
Other receivables	18b	**245,750**	208,235	**300,302**	329,468
Income tax receivables	12	**37,513**	-	**-**	-
Short term deposits- amortized cost	20	**14,371,700**	16,645,949	**13,403,406**	16,072,910
Cash and cash equivalents	21	**81,355**	216,094	**35,039**	162,922
Restricted bank balance	21	**15,005**	14,236	**15,005**	14,236
		15,703,844	19,880,729	**14,428,162**	18,538,259
TOTAL ASSETS		**29,164,123**	28,424,079	**28,087,612**	27,144,540
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		**14,527,663**	13,733,935	**13,736,387**	12,544,666
Revaluation surplus		**196,935**	200,169	**196,935**	200,169
Car loan fund	22	**35,000**	35,000	**35,000**	35,000
		26,139,580	24,925,479	**25,348,304**	24,159,817
Non-current liabilities					
Capital grants	23(a)	**1,202,541**	1,257,229	**1,202,541**	1,257,229
		1,202,541	1,257,229	**1,202,541**	1,257,229
Current liabilities					
Revenue grant	23(b)	**56,864**	110,789	**56,864**	110,789
Contract liabilities	25(a)	**909,845**	766,032	**909,845**	766,032
Trade and other payables	25(b)	**855,293**	1,259,581	**570,058**	850,673
Current income tax	12(a)	**-**	104,969	**-**	-
		1,822,002	2,241,371	**1,536,767**	1,727,494
TOTAL EQUITY AND LIABILITIES		**29,164,123**	28,424,079	**28,087,612**	27,144,540

The financial statements on page 28 to 77 were approved by the board of directors and signed on its behalf by:

....
Dr. Elinami Minja

25|04|2022
....
Date

....
Mr. Moremi Marwa

25|04|2022
....
Date

DSE Creating Opportunities

STATEMENT OF CHANGES IN EQUITY

GROUP	Share capital	Share premium	Car loan fund	Retained earnings	Revaluation	
Year ended 31 December 2021	(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 2021	**9,529,608**	**1,850,374**	**35,000**	**13,310,328**	**200,169**	**24,925,479**
Transaction with owners						
Dividend paid	**-**	**-**	**-**	**(2,783,095)**	**-**	**(2,783,095)**
	-	**-**	**-**	**(2,783,095)**	**-**	**(2,783,095)**
Other comprehensive income						
Profit for the period	**-**	**-**	**-**	**3,997,196**	**-**	**3,997,196**
Transfer of excess depreciation	**-**	**-**	**-**	**3,234**	**(3,234)**	**-**
Total comprehensive income	**-**	**-**	**-**	**3,991,420**	**(3,234)**	**3,997,196**
At 31 December 2021	**9,529,608**	**1,850,374**	**35,000**	**14,518,653**	**196,935**	**26,139,580**
GROUP						
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)	-	(1,772,996)
Other comprehensive income			-			
Profit for the period	-	-	-	4,639,045	-	4,639,045
Transfer of excess depreciation	-	-	-	5,050	(5,050)	-
Total comprehensive income	-	-	-	4,644,095	200,169	4,639,045
At 31 December 2020	9,529,608	1,850,374	35,000	13,310,328	200,169	24,925,479

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital (Note 24) TZS'000	Share premium (Note 24) TZS'000	Car loan fund (Note 22) TZS'000	Retained earnings TZS'000	Revaluation Surplus (Note 16) TZS'000	Total TZS'000
COMPANY						
At 01 January 2021	**9,529,608**	**1,850,374**	**35,000**	**12,544,666**	200,169	**24,159,817**
Transactions with owners						
Dividend paid	-	-	-	**(2,783,095)**	-	**(2,783,095)**
	-	-	-	**(2,783,095)**	-	**(2,783,095)**
Other comprehensive income						
Profit for the year	-	-	-	**3,971,582**	-	**3,971,582**
Revaluation loss	-	-	-	-	-	-
Transfer of excess depreciation	-	-	-	**3,234**	**(3,234)**	-
Total comprehensive income	-	-	-	**3,974,816**	**(3,234)**	**3,971,582**
At 31 December 2021	**9,529,608**	**1,850,374**	**35,000**	**13,736,387**	**196,935**	**25,348,304**
COMPANY						
At 1 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
Transfer of excess depreciation	-	-	-	5,050	(5,050)	-
Total comprehensive income	-	-	-	4,538,119	200,169	4,533,069
At 31 December 2020	9,529,608	1,850,374	35,000	12,544,666	200,169	24,159,817

STATEMENT OF CASH FLOWS

		Group		Company	
		2021	2020	**2021**	2020
	Notes	**TZS'000**	TZS'000	**TZS'000**	TZS'000
OPERATING ACTIVITIES					
Profit before taxation		**4,037,031**	4,807,061	**3,971,582**	4,533,069
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation and amortisation		**149,978**	240,666	**130,821**	224,795
Amortisation of grant	23a	**(54,688)**	(63,840)	**(54,688)**	(63,840)
Amortisation of revenue grant	23b	**(53,925)**	(49,787)	**(53,925)**	(49,787)
Interest income	11	**(2,927,344)**	(2,416,186)	**(2,821,223)**	(2,334,840)
Income tax paid		**(181,343)**	(73,150)	**-**	-
Cash flows before changes in working capital items		**969,709**	2,444,764	**1,172,567**	2,309,397
Changes in working capital items:					
Trade receivables		**1,843,694**	(1,777,807)	**1,284,313**	(1,233,768)
Other receivables		**(37,515)**	(46,068)	**29,166**	65,815
Contract liabilities		**143,813**	83,090	**143,813**	83,090
Cash held in restricted deposits	21	**(769)**	(8,640)	**(769)**	(8,640)
Trade and other payables		**(404,288)**	584,345	**(280,615)**	339,776
Net cash flows generated from operating activities		**2,514,644**	1,279,684	**2,348,475**	1,555,670
INVESTING ACTIVITIES					
Investment in short term deposits	20	**2,274,249**	(223,614)	**2,669,504**	(469,832)
Investment in government securities	19	**(4,979,190)**	(1,631,004)	**(4,979,190)**	(1,631,004)
Investment in Subsidiary	17	**-**	-	**(127,867)**	-
Loan to DSE Saccos		**(56,625)**	(143,190)	**(56,625)**	(143,190)
Interest received - short term deposits	11	**2,927,344**	2,416,186	**2,821,223**	2,334,840
Purchase of intangibles	15	**-**	(225,271)	**-**	(225,271)
Purchase of property and equipment	13	**(32,066)**	(14,730)	**(20,308)**	(10,588)
Net cash flows generated from / (used in) investing activities		**133,712**	178,377	**306,737**	(145,045)
FINANCING ACTIVITIES					
Dividend paid	27	**(2,783,095)**	(1,772,996)	**(2,783,095)**	(1,772,996)
Revenue Grant	23	**-**	129,062	**-**	129,062
Receipts of Capital Grant	23	**-**	218,753	**-**	218,753
Net cash flows used in financing activities		**(2,783,095)**	(1,425,181)	**(2,783,095)**	(1,425,178)
Net increase/(decrease) in cash and cash equivalents		**(134,739)**	32,880	**(127,883)**	(14,553)
Cash and cash equivalents at start of the period		**216,094**	183,214	**162,922**	177,475
Cash and cash equivalent at year end	21	**81,355**	216,094	**35,039**	162,922

The notes on pages 33 to 77 are an integral part of these financial statements

1 GENERAL INFORMATION

The Dar es Salaam Stock Exchange Public Limited Company (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 Public Limited Company 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 Public Limited Company 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 Group's consolidated and the Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in conformity with the requirements of the Companies Act 2002. The measurement basis applied is the historical cost basis except for leasehold land and buildings which are measured at fair value. 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)

New standards, amendments and interpretations

New standards, amendments and interpretations effective and adopted during the year

A number of new standards are effective from 1 January 2021, but they do not have a material effect on the Company's financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standard or amendments
- Covid -19-Related Rent Concessions – amendments to IFRS 16
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Relevant new standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

New standard or amendments	Effective for annual periods beginning on or after
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
- Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
- Annual improvements cycle 2018 - 2020	1 January 2022

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the financial statements of the Company

2 BASIS OF PREPARATION (CONTINUED)

New standards, amendments and interpretations (Continued)

Relevant new standards, amendments and interpretations issued but not yet effective (Continued)

Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contract existing at the date when the amendment was first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment.

The Company has determined that all contracts have been completed as of 31 December 2021 and as such the amendments are not expected to have a material impact on the financial statements of the Company.

IFRS 9 Financial Instruments - Fees in the 10 per cent test for derecognition of financial liabilities

As part of its 2018 - 2021 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The Company is currently evaluating the potential impact of the new standard on the Company's financial statements.

2 BASIS OF PREPARATION (CONTINUED)

New standards, amendments and interpretations (Continued)

Relevant new standards, amendments and interpretations issued but not yet effective (Continued)

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company is currently evaluating the potential impact of the new standard on the Company’s financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The Company is currently evaluating the potential impact of the new standard on the Company’s financial statements.

Annual improvements cycle 2018 - 2020

These amendments include minor changes to:

- IFRS 1, ‘First time adoption of IFRS’
- IFRS 9, ‘Financial Instruments’
- IFRS 16, ‘Leases’

The amendments are not expected to have a material impact on the financial statements of 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

Classifications
The group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and de-recognition
Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, financial assets are measured at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on:
- the Group's business model for managing the financial assets; and
- the cash flow characteristics of the asset

Debt Instruments
Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Debt Instruments (continued)

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

  Business model: The business model reflects how the Group manages the assets in order to generate cash flows i.e. 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 (e.g. financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel and how risks are assessed and managed.

SPPI: 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 ('SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. 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 fair value through profit or loss.

The Group reclassifies financial assets when and only when its business model for managing those assets changes

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets e.g. basic ordinary shares.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

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) Leasehold land

The company's leasehold land is carried in the financial statements at fair value less accumulated amortisation. Prepaid 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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	4-5Years
Power generator	4 years
Motor vehicles	4 years
Office partitions	4 years
Buildings	Lower of 40 years and lease term for land
Work in progress	Nil

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(g) Impairment

Financial assets

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable, 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.

Non-financial assets

The carrying amounts of the Exchange's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU's) value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An impairment loss in recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss had been recognized for the asset in prior years. Such reversal is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Employee benefits

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).

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.

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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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

(j) Revenue (continued)

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.

Customer contracts across the Group contain a single performance obligation at a fixed price and they require variable consideration to be constrained or allocated to multiple performance obligations. generate fees from trades or contracts cleared and settled, compression and custody services which are recognised as revenue at a point in time when the Group meets its obligations to complete the transaction or service. In cases where the Group's performance obligations are completed over time, revenue is recognised on a straight-line basis over that period, representing the continuous transfer of services during that time. In cases where there is a fixed annual fee for a service, the revenue is recognised and billed monthly in arrears.

Listing fees

Initial listing fee is recognized in the year in which the Exchange makes the flotation. Represent one performance obligation and the Group recognises revenue from initial admissions and further issues over the period the Group provides the listing services. All admission fees are billed to the customer at the time of admission to trading and become payable when invoiced.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

Other income

Other income comprises grant income, training income, forex gain and sundry income and are typically recognised as revenue at the point the service is rendered and becomes payable when invoiced.

(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 2,927,344 (Previous year 2020, TZS 2,416,186).

(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

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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Consolidation (continued)

Subsidiaries (Continued)

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:

- 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.

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)

Subsidiaries (Continued)

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 CRITICAL ESTIMATES AND JUDGEMENT

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:

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.

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 Public Limited Company. 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 2021 is as follows:

5 BUSINESS SEGMENTS INFORMATION

Segmental statement of profit or loss

	2021				2020			
	DSE	CSDR	Elimination	Group	DSE	CSDR	Elimination	Group
	TZS'000	TZS'000		TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Revenue	4,509,077	1,147,750	-	5,656,827	5,777,320	1,687,037	-	7,464,358
Other income	308,919	19,218	(141,653)	186,484	279,871	20,218	(127,867)	172,221
	4,817,996	1,166,968	(141,653)	5,843,311	6,057,191	1,707,255	(127,867)	7,636,579
Staff costs	(2,450,060)	(837,467)	141,653	(3,145,874)	(2,309,549)	(802,564)	127,867	(2,984,246)
Depreciation and amortisation	(130,821)	(19,157)		(149,978)	(224,794)	(15,872)	-	(240,666)
Operating and other expenses	(1,095,076)	(356,028)	-	(1,451,104)	(1,311,630)	(685,249)	-	(1,996,879)
Expected credit loss	8,320	5,012	-	13,332	(12,989)	(10,924)	-	(23,913)
	(3,667,637)	(1,207,640)	141,653	(4,733,624)	(3,858,962)	(1,514,609)	127,867	(5,245,704)
Profit before finance income	1,150,359	(40,672)	-	1,109,687	2,198,229	192,646	-	2,390,875
Finance income	2,821,223	106,121	-	2,927,344	2,334,840	81,346	-	2,416,186
Profit before tax	3,971,582	65,449	-	4,037,031	4,533,069	273,992	-	4,807,061
Taxation	-	(39,835)	-	(39,835)	-	(168,016)	-	(168,016)
Profit for the year	3,971,582	25,614	-	3,997,196	4,533,069	105,976	-	4,639,045

5 BUSINESS SEGMENTS INFORMATION (CONTINUED)

Segmental assets, liabilities:

	2021				2020			
	DSE	CSDR	Eliminations/ Consolidation	Group	DSE	CSDR	Eliminations/ Consolidation	Group
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Non-current assets	13,431,583	28,696	-	13,460,279	8,506,281	37,069	-	8,543,350
Investment	227,867	-	(227,867)	-	100,000	-	(100,000)	-
Current assets	14,428,162	1,398,111	(122,429)	15,703,844	18,538,259	1,490,600	(148,130)	19,880,729
	28,087,612	1,426,807	(350,296)	29,164,123	27,144,540	1,527,669	(248,130)	28,424,079
Owners' equity	25,348,304	1,019,143	(227,867)	26,139,580	24,159,817	865,662	(100,000)	24,925,479
Non-current liabilities	1,202,541	-	-	1,202,541	1,257,229	-	-	1,257,229
Current liabilities	1,536,767	407,664	(122,429)	1,822,002	1,727,494	662,007	(148,130)	2,241,371
	28,087,612	1,426,807	(350,296)	29,164,123	27,144,540	1,527,669	(248,130)	28,424,079

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:

	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Trade receivables (Note 18)	**952,521**	2,796,215	**674,410**	1,958,723
Staff car loan receivables	**33,815**	35,402	**33,815**	35,402
Staff advances (Note 18)	**128**	697	**-**	-
Short term deposits (Note 20)	**14,371,700**	16,645,949	**13,403,406**	16,072,910
Cash and cash equivalents (Note 21)	**81,355**	216,094	**35,039**	162,922
Restricted Bank Balance (Note 21)	**15,005**	14,236	**15,005**	14,236
Loan to DSE Sacoss (Note 19b)	**199,815**	143,190	**199,815**	143,190
Government securities (Note 19a)	**9,875,146**	4,895,956	**9,875,146**	4,895,956
	25,529,485	24,747,739	**24,236,636**	23,283,339

6 FINANCIAL RISK MANGEMENT (CONTINUED)

a. Credit risk (continued)

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.

Default occurs when (a) any instalment is unpaid more than 12 months past its original due date or (b) where records show that the Obligor has suffered an Insolvency event. Further, the Group considers the following as evidence that a financial asset is credit-impaired; significant financial difficulty of the debtor, breach of contract terms, deterioration of the economic sector in which the customer is operating and when the customer is likely to undergo a major financial reorganization or enter bankruptcy.

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 2021 and 31 December 2020 was determined as follows for trade receivables:

Group				-	
As at 31 December 2021	**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)	926,885	24,732	11,698	52,492	1,015,807
Loss allowance (Note 18)	-	**4,945**	**5,849**	**52,492**	**63,286**
As at 31 December 2020					
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
Company					
As at 31 December 2021	**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)	660,873	15,671	2,000	29,451	707,995
Loss allowance (Note 18)	-	**3,133**	**1,000**	**29,451**	**33,584**
As at 31 December 2020					
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
a. Credit risk (continued)					

6 FINANCIAL RISK MANGEMENT (CONTINUED)

a. Credit risk (continued)

Movement of the loss allowance is as shown below:

	Group TZS'000	Company TZS'000
Year ended 31 December 2021		
Opening Balance	**76,618**	41,905
Release during the year	**(13,332)**	(8,320)
Expected credit loss at 31 December 2021	**63,286**	33,585
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

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 2 Years past due.

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

Group	**Less than 1 year**
At 31 December 2021:	**TZS'000**
Trade and other payables	**791,610**
At 31 December 2020:	
Trade and other payables	757,716
	757,716
Company	
At 31 December 2021	
Trade and other payables	**563,006**
At 31 December 2020:	
Trade and other payables	577,715

Trade and other payables excludes the payables that related to statutory payments

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

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.

Profile

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

	Carrying amount			
	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
Fixed rate instruments: Financial assets	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Short term deposits	**14,371,700**	16,645,949	**13,403,406**	16,072,910
Government securities	**9,875,146**	4,895,956	**9,875,146**	4,895,956
Loan to DSE Saccos	**199,815**	143,190	**199,815**	143,190
	24,446,661	21,685,095	**23,478,367**	21,112,056

Interest rate Sensitivity

The interest-bearing financial instruments are held at fixed rates, hence forth the company is not exposed to cash flow sensitivity. In addition, the fixed rates are mostly at market rates and do not deviate significantly. Exposure to fair value is minimal.

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 2021.

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 2021 the Group was not geared.

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 no 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. The Group has government bonds under this category.

(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	Amortised cost	Level I	Level 2	Level 3	Total
As at 31 December 2021					
Financial assets not measured at fair value					
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables	952,521	-	-	952,521	952,521
Other receivables	46,129	-	-	46,129	46,129
Government securities	9,875,146	-	9,875,146	-	9,875,146
Loan to DSE Saccos	199,815	-	-	199,815	199,815
Short term deposits	14,371,700	-	-	14,371,700	14,371,700
Cash and cash equivalents	81,355	-	-	81,355	81,355
Restricted bank balance	15,005	-	-	15,005	15,005
	25,541,671	-	9,875,146	15,666,525	25,541,671
Financial liabilities not measured at fair value					
Trade and other payables	791,610	-	-	791,610	791,610
	791,610	-	-	791,610	791,610
Company					
Financial assets not measured at fair value					
Trade receivables	674,410	-	-	674,410	674,410
Other receivables	129,785	-	-	129,785	129,785
Government securities	9,875,146	-	9,875,146	-	9,875,146
Loan to DSE Saccos	199,815	-	-	199,815	199,815
Short term deposits	13,403,406	-	-	13,403,406	13,403,406
Cash and cash equivalents	35,039	-	-	35,039	35,039
Restricted bank balance	15,005	-	-	15,005	15,005
	24,332,606	-	9,875,146	14,457,460	24,332,606
Financial liabilities not measured at fair value					
Trade and other payables	563,006	-	-	563,006	563,006
	563,006	-	-	563,006	563,006

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

e. Fair value measurement (Continued)

Group	Amortised cost	Level I	Level 2	Level 3	Total
As at 31 December 2020	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Financial assets not measured at fair value					
Trade receivables	2,796,215	-	-	2,796,215	2,796,215
Other receivables	23,919	-	-	23,919	23,919
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
	24,735,559	-	4,895,956	20,023,919	24,735,559
Financial liabilities not measured at fair value					
Trade and other payables	757,716	-	-	757,716	757,716
	757,716	-	-	757,716	757,716
Company					
As at 31 December 2020					
Financial assets not measured at fair value	1,958,723	-	-	1,958,723	1,958,723
Trade receivables	169,272	-	-	169,272	169,272
Other receivables	4,895,956	-	4,895,956	-	4,895,956
Government securities	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
	23,417,209	-	4,895,956	18,681,449	23,417,209
Financial liabilities not measured at fair value					
Trade and other payables	577,715	-	-	577,715	577,715
	577,715	-	-	577,715	577,715

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.

	2021 Group TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
Listing fees				
Equity	**372,381**	396,145	**372,381**	396,145
Government bonds	**3,201,494**	3,093,544	**3,201,494**	3,093,544
Corporate bonds	**21,500**	23,294	**21,500**	23,294
	3,595,375	3,512,983	**3,595,375**	3,512,983
Transaction fees				
Equity	**276,267**	1,655,395	**276,267**	1,655,395
Bonds	**482,299**	431,606	**482,299**	431,606
	758,566	2,087,001	**758,566**	2,087,001
Central Securities Depository (CSD) fees				
Annual membership fees	**35,500**	27,000	**-**	-
Membership application Fee	**3,500**	-	**-**	-
Transaction fees equity	**125,182**	709,452	**-**	-
CSD amendment fee	**15,017**	4,667	**-**	-
CSD bond trading fees	**356,533**	303,483	**-**	-
Dividend processing income	**195,140**	281,780	**-**	-
IPO processing fees	**26,169**	15,789	**-**	-
Registry services (IPO)	**121,120**	119,800	**-**	-
Data vending	**100**	2,300	**-**	-
AGM management fee	**61,792**	33,768	**-**	-
International Securities Identification Number (ISIN)	**12,697**	7,800	**-**	7,800
Register annual maintenance fee	**195,000**	189,000	**-**	-
	1,147,750	1,694,839	**-**	7,800
Other operating income				
Data vending historical	**50,380**	64,530	**50,380**	64,530
Data vending end of day	**9,000**	8,800	**9,000**	8,800
Data vending real time	**36,756**	53,255	**36,756**	53,256
Licenced Dealing Member (LDM) membership fees & NOMADS	**24,000**	22,000	**24,000**	22,000
Listing income realized	**35,000**	20,950	**35,000**	20,950
	155,136	169,535	**155,136**	169,536
	5,656,827	7,464,358	**4,509,077**	5,777,320

DSE Creating Opportunities

7. REVENUE FROM CONTRACT WITH CUSTOMERS (CONTINUED)

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

Revenues of approximately TZS 3,201 million (2020–TZS 3,093 million) on listing of government bonds are derived from single external customer (Government) and around TZS 759 million (2020 TZS 2,087 million) are derived from transactions fees on equities and bonds from different customers. Also listing fees for equity amounted to TZS 372 million (2020 – TZS 396million).

(b) Assets and liabilities related to contracts with customers

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

Contract assets	**2021 Group TZS'000**	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
Trade receivables (Note 18)	**1,015,808**	2,872,833	**707,995**	2,000,628
Less: Loss allowances	**(63,287)**	(76,618)	**(33,585)**	(41,905)
Total Contract Assets	**952,521**	2,796,215	**674,410**	1,958,723
Contract liabilities				
-Listing fee from Corporate entities (Note 25)	**95,477**	85,000	**95,477**	85,000
Listing from Government bonds	**814,368**	681,032	**814,368**	681,032
Total Contract liabilities	**909,845**	766,032	**909,845**	766,032

8 OTHER INCOME

	2021 Group TZS'000	2020 Group	**2021 Company TZS'000**	2020 Company TZS'000
Amortization of revenue grant (Note 23(b))	**53,925**	49,787	**53,925**	49,787
Training income	**15,657**	20,800	**15,657**	20,800
Management fee from shared human resource services	**-**	-	**141,653**	127,867
(Loss)/gain on exchange of foreign currency	**(241)**	2,524	**(241)**	2,524
Amortization of capital grant (Note 23(a))	**54,688**	63,840	**54,688**	63,840
Miscellaneous income	**62,455**	35,270	**43,237**	15,053
	186,484	172,221	**308,919**	279,871

(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	**2,230,719**	2,100,321	**1,720,325**	1,610,521
Skills and development levy	**80,722**	88,348	**68,813**	67,531
Employer contribution to pension funds (defined contribution plan)	**286,175**	267,721	**224,611**	208,643
Leave cost	**155,325**	145,924	**121,277**	113,102
Medical expenses	**128,513**	136,136	**102,456**	105,123
Training and workshops	**53,605**	18,666	**45,780**	18,571
Other staff cost; special, acting and furniture allowances	**83,240**	73,367	**63,215**	54,354
Workers' Compensation Fund	**17,892**	20,033	**13,809**	15,322
Fuel allowance	**97,689**	74,790	**77,780**	57,442
Directors training	**-**	8,940	**-**	8,940
Long Service & Golden Handshake expenses	**11,994**	50,000	**11,994**	50,000
	3,145,874	2,984,246	**2,450,060**	2,309,549

10 EXPENSES

	2021 Group TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
a) Information technology costs				
Disaster Recovery site (DRS) running costs	**46,435**	53,121	**40,518**	46,544
Automatic Trading System (ATS) license fee	**127,320**	423,077	**108,542**	316,659
IT Expenses	**98,887**	111,918	**70,818**	98,015
DATS training	**7,864**	11,526	**7,864**	11,526
	280,506	599,642	**227,742**	472,744
b) Other expenses				
Bank charges and insurance	**13,625**	15,206	**10,570**	12,517
Office cleaning, parking and recreations	**55,468**	51,627	**43,614**	41,316
CSD IPO processing expenses	**1,630**	-	**-**	-
Other administrative costs	**34,768**	34,638	**42,806**	30,687
Corporate Social Responsibility	**51,513**	1,339	**51,513**	1,339
Consultancy fee	**16,510**	5,360	**8,424**	2,065
Services Levy	**12,672**	27,973	**4,479**	22,910
VAT Tax expense	**53,934**	286,064	**-**	-
System Inter-Link Expenses	**1,150**	17,489	**-**	9,245
certificates, Bulk SMS, business license and DTB expenses	**23,677**	7,598	**17,172**	500
Stationery and consumables	**16,741**	19,125	**13,946**	16,777
Repair and maintenance	**18,970**	11,653	**18,970**	11,502
Audit fee	**75,000**	75,000	**65,624**	65,624
	375,658	553,072	**277,118**	214,480

c) **Operating Expenses**

Dividend processing costs	**114,868**	112,971	**39,574**	17,233
Public education and business development costs	**91,063**	176,825	**78,050**	164,356
Subscriptions, tenders and newspapers, regional integration	**132,014**	113,756	**102,227**	101,747
CMSA regulatory fee	**53,444**	77,892	**44,500**	49,544
Directors' fee	**170,700**	165,075	**129,500**	129,500
Telephone, internet and courier cost	**74,797**	70,547	**56,864**	54,585
Amortisation of donor grant	**53,925**	34,786	**53,925**	34,786
Electricity and security cost	**30,000**	30,000	**26,250**	26,289
Fuel expenses	**19,502**	20,088	**19,502**	20,088
Board expenses	**42,407**	42,224	**27,604**	26,275
MTP-NIDA Data sharing expenses	**12,220**	-	**12,220**	-
	794,940	844,165	**590,216**	624,405

11 FINANCE INCOME

	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Interest income from financial assets	**2,927,344**	2,416,186	**2,821,223**	2,334,840

12 TAXATION

(a) Income tax expense

Current income tax	**38,861**	171,477	**-**	-
Deferred income tax	**974**	(3,461)	**-**	-
Total	**39,835**	168,016	**-**	-

The exchange is tax exempt as per second schedule of income tax act of 2019. Dar es Salaam Stock
Exchange Public Limited Company 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:

	2021	2020	**2021**	2020
Effective tax rate reconciliation	**TZS'000**	TZS'000	**TZS'000**	TZS'000
Profit before income tax	**4,037,031**	4,807,061	**3,971,582**	4,533,069
Tax calculated at a tax rate of 30 %	**1,211,110**	1,442,118	**1,191,475**	1,359,921
Tax effect of:				
Expenses not deductible for tax purposes	**20,200**	85,819	**-**	-
Income not subject to tax	**(1,191,475)**	(1,359,921)	**(1,191,475)**	(1,359,921)
Income tax expense	**39,835**	168,016	**-**	-

Current income tax liability

Opening balance	**104,969**	6,642	-	-
Charge during the year	**38,861**	171,477	-	-
Income tax paid	**(181,343)**	(73,150)	-	-
Closing balance	**(37,513)**	104,969	-	-

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:

	2021	2020	**2021**	2020
	TZS' 000	TZS' 000	**TZS'000**	TZS'000
At start of year	**8,207**	4,746	-	-
Release to profit or loss	**(974)**	3,461	-	-
At end of year	**7,233**	8,207	-	-
DEFERRED TAX ASSET COMPOSITION				
Provisions	**8,913**	10,415	-	-
Property and equipment	**(1,680)**	(2,208)	-	-
Net deferred tax asset	**7,233**	8,207	-	-

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 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
At 1st January 2021	**1,193,525**	**90,589**	**39,115**	**283,573**	**168,887**	**1,775,689**
Additions	28,182	3,884	-	-	-	32,066
At 31 December 2021	**1,221,707**	**94,473**	**39,115**	**283,573**	**168,887**	**1,807,755**
Accumulated depreciation						
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
At 01 January 2021	1,142,134	79,552	39,115	259,941	168,887	1,689,629
Charge during the year	30,873	5,438	-	23,632	-	59,943
At 31 December 2021	**1,173,007**	**84,990**	**39,115**	**283,573**	**168,887**	**1,749,572**
Carrying amount						
At 31 December 2021	**48,700**	**9,483**	-	**-**	-	**58,183**
At 30 December 2020	51,391	11,037	-	23,632	-	86,060

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 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
At 01 January 2021	1,181,761	83,156	39,115	283,573	168,887	1,756,492
Additions	17,238	3,070	-	-	-	20,308
At 31 December 2021	**1,198,999**	**86,226**	**39,115**	**283,573**	**168,887**	**1,776,800**
Accumulated Depreciation						
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	-	184,058
At 31 December 2020	1,137,297	75,201	39,115	259,941	168,887	1,680,441
At 01 January 2021	1,137,297	75,201	39,115	259,941	168,887	1,680,441
Charge during the year	25,647	3,514	-	23,631	-	52,692
At 31 December 2021	**1,162,944**	**78,615**	**39,115**	**283,572**	**168,887**	**1,733,133**
Carrying amount						
At 31 December 2021	**36,055**	**7,611**	**-**	**-**	**-**	**43,666**
At 31 December 2020	44,464	7,955	-	23,632	-	76,050

	2021	2020	**2021**	2020
	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:

	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
Cost	**TZS'000**	TZS'000	**TZS'000**	TZS'000
At start of the year	**1,591,163**	1,365,892	**1,543,535**	1,318,264
Additions	**-**	225,271	**-**	225,271
At end of the year	**1,591,163**	1,591,163	**1,543,535**	1,543,535
Accumulated amortisation				
At start of the year	**1,327,796**	1,279,167	**1,299,020**	1,262,298
Charge during the year	**86,022**	48,629	**74,116**	36,722
At end of the year	**1,413,818**	1,327,796	**1,373,136**	1,299,020
Net carrying amount				
At end of the year	**177,345**	263,367	**170,399**	244,515

16 LEASEHOLD LAND AND BUILDING

	Leasehold Land	Building	Total
Cost	**TZS'000**	**TZS'000**	**TZS'000**
At 01 January 2020	**251,979**	**129,352**	**381,331**
Additions (revaluation losses)	-	-	-
At 31 December 2020	**251,979**	**129,352**	**381,331**
At 01 January 2021	**251,979**	**129,352**	**381,331**
Revaluation loss	-	-	-
At 31 December 2021	**251,979**	**129,352**	**381,331**
Accumulated depreciation			
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**
At 01 January 2021	**30,979**	**23,366**	**54,345**
Charge during the period	-	4,013	4,013
At 31 December 2021	**30,979**	**27,379**	**58,358**
Carrying amount			
At 30 December 2021 (Group/Company)	**221,000**	**101,973**	**322,973**
At 30 December 2020 (Group/Company)	221,000	105,986	326,986

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

	2021	2020
	TZS'000	TZS'000
Cost	**41,603**	41,603
Accumulated depreciation	**(5,151)**	(4,501)
Net carrying amount	**36,452**	37,102

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:

	2021	2020
	TZS'000	TZS'000
Cost	**103,331**	103,331
Accumulated depreciation	**(16,720)**	(14,137)
Net carrying amount	**86,611**	89,194

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 2021.

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 53 years.

17 INVESTMENT IN SUBSIDIARY

In the year 2017, the Company invested TZS 100 million in a wholly owned subsidiary and in year 2021 the Company invested additional 127 million as advance to share capital to the CSDR Company to make a total investment of TZS 227 million.. The group's principal subsidiary at 31 December 2021 is set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by the company, 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
		2021	2020	2021	2020	
		%	%	%	%	
CSDR	United Republic of Tanzania	100	100	-	-	Clearance and settlement of securities and custody of security services.

Below is the summary of the total amount invested in the subsidiary by the DSE Company

	2021 TZS '000	2020 TZS'000
Investment in the subsidiary		
Opening Balance	**100,000**	100,000
Additional investment during the year	**127,867**	-
Closing balance	**227,867**	100,000

Below is the summary of the subsidiary results and financial position

	2021 TZS '000	2020 TZS'000
Statement of financial position		
Total assets	**1,426,807**	1,527,669
Total liabilities	**(407,664)**	(662,007)
Net assets	**1,019,143**	865,662
Statement of profit or loss and other comprehensive income		
Gross income	**1,273,090**	1,788,601
Total expenses	**(1,207,641)**	(1,514,609)
Profit before tax	**65,499**	273,992

18a TRADE RECEIVABLES

	2021 Group TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS,000
Listing fee receivables	**508,282**	634,053	**508,282**	634,053
Transaction fee receivables	**507,525**	2,238,780	**199,712**	1,366,575
Gross Receivables	**1,015,807**	2,872,833	**707,994**	2,000,628
Loss allowance (see note 6(a))	**(63,286)**	(76,618)	**(33,584)**	(41,905)
	952,521	2,796,215	**674,410**	1,958,723

18b OTHER RECEIVABLES

	2021 Group TZS'000	2020 Group TZS'000	2021 Company TZS'000	2020 Company TZS,000
Staff car loans receivables	**33,815**	35,402	**33,815**	35,402
Staff advances	**128**	697	**-**	-
Prepaid expenses	**165,678**	148,217	**136,702**	124,794
other receivables	**46,129**	23,919	**129,785**	169,272
	245,750	208,235	**300,302**	329,468

19a GOVERNMENT SECURITIES

These are Treasury bonds held at Bank of Tanzania				
At amortised cost				
Treasury bond	**9,875,146**	4,895,956	**9,875,146**	4,895,956
	9,875,146	4,895,956	**9,875,146**	4,895,956
15 years Treasury Bonds	**515,648**	515,878	**515,648**	515,878
15 years Treasury Bonds	**508,186**	508,731	**508,186**	508,731
15 years Treasury Bonds	**1,375,008**	-	**1,375,008**	-
15 years Treasury Bonds	**1,675,748**	-	**1,675,748**	-
20 years Treasury Bonds	**1,833,546**	-	**1,833,546**	-
20 years Treasury Bonds	**2,033,951**	2,035,224	**2,033,951**	2,035,224
20 years Treasury Bonds	**1,933,059**	1,836,123	**1,933,059**	1,836,123
	9,875,146	4,895,956	**9,875,146**	4,895,956

The Coupon rate and maturity date on Government securities as at 31 December 2021 and 31 December 2020 are shown below:

	2021		2020	
Treasury Bonds Summary	**Coupon Rate**	**Maturity date**	Coupon Rate	Maturity date
15 years Treasury Bonds	**13.50%**	**27-Feb-35**	13.50%	27-Feb-35
15 years Treasury Bonds	**13.50%**	**27-Feb-35**	13.50%	27-Feb-35
15 years Treasury Bonds	**13.50%**	**29-Jan-36**	-	-
15 years Treasury Bonds	**13.50%**	**25-Feb-36**	-	-
20 years Treasury Bonds	**15.49%**	**22-Apr-40**	15.49%	22-Apr-40
20 years Treasury Bonds	**15.49%**	**21-May-40**	15.49%	21-May-40
20 years Treasury Bonds	**15.49%**	**20-May-41**	-	-

19b LOAN TO DSE SACCOSS

	2021 Group TZS'000	2020 Group TZS'000	2021 Company TZS'000	2020 Company TZS'000
Loan to DSE Saccos*				
Opening Balance	**143,190**	-	**143,190**	-
Loan Issued during the year	**100,000**	150,000	**100,000**	150,000
Interest Income Receivable	**8,014**	1,477	**8,014**	1,477
Principal Repayment	**(43,375)**	(6,810)	**(43,375)**	(6,810)
Interest received during the year	**(8,014)**	(1,477)	**(8,014)**	(1,477)
Closing Balance	**199,815**	143,190	**199,815**	143,190

**Relates to the money loaned by DSE Public Limited Company to employees Saccos a legal entity owned by employees. The loan accrues interest at the reducing balance rate of 4% per annum and is for period of 5 Years and repayment is on monthly basis. DSE Public Limited Company. has no control over this Saccos.*

20 SHORT TERM DEPOSITS

	2021 Group	2020 Group	2021 Company	2020 Company
	TZS'000	TZS'000	TZS'000	TZS'000
These are fixed deposits with various Financial institutions.				
The short-term deposits are held at the following institutions:				
Equity Bank Tanzania Limited	3,100,536	2,670,071	3,100,536	2,670,071
Tanzania Commercial Bank Public Limited Company	950,679	4,112,477	950,679	4,112,477
Akiba Commercial Bank	-	5,950	-	5,950
DCB Bank Public Limited Company	510,192	-	510,192	-
UBA Bank Tanzania Ltd	1,821776	-	1,493,892	-
Azania Bank Limited	4,380,667	4,085,806	3,740,257	3,512,767
Bank of Africa Tanzania Limited	2,100,685	2,769,300	2,100,685	2,769,300
KCB Bank Tanzania Limited	1,507,165	3,002,345	1,507,165	3,002,345
	14,371,700	16,645,949	13,403,406	16,072,910

20 SHORT TERM DEPOSITS (CONTINUED)

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 2021 and 31 December 2020 are shown below:

	2021		2020	
FDR Summary	**Effective interest rate per annum**	**Maturity date**	Effective interest rate per annum	Maturity date
Equity Bank Tanzania Limited	**12.50%**	**24-Apr-22**	11.00%	23-Apr-21
Tanzania Commercial Bank Plc	**-**	**-**	10.50%	24-Apr-21
Tanzania Commercial Bank Plc	**11.00%**	**16-Jan-22**	11.00%	16-Jan-21
Tanzania Commercial Bank Plc	**-**	**-**	10.50%	08-May-21
Bank of Africa Tanzania Limited	**-**	**-**	10.00%	4-Aug-21
Bank of Africa Tanzania Limited	**12.50%**	**6-Aug-22**	11.00%	6-Aug-21
Azania Bank Limited	**13.00%**	**11-Oct-22**	13.00%	9-Oct-21
Azania Bank Limited	**12.50%**	**21-Jun-22**	12.50%	21-Jun-21
Azania Bank Limited	**11.00%**	**16-Oct-22**	11.00%	16-Oct-21
DCB Bank Plc	**12.00%**	**30-Oct-22**	-	-
UBA Bank Tanzania Limited	**13.00%**	**28-Apr-22**	-	-
KCB Bank Tanzania Limited	**12.00%**	**24-Apr-22**	**12.00%**	24-Apr-21
KCB Bank Tanzania Limited	**-**	-	**12.00%**	17-Feb-21

21 CASH AND CASH EQUIVALENTS

	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Cash at bank	**80,839**	214,893	**34,523**	161,721
Cash at hand	**516**	1,201	**516**	1,201
Unrestricted cash and bank balances	**81,355**	215,094	**35,039**	162,922
Restricted cash and bank balances				
Cash at bank - ACB Car Loan Fund*	**15,005**	14,236	**15,005**	14,236

*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.

22 CAR LOAN FUND

	2021 Group TZS'000	2020 Group TZS'000	2021 Company TZS'000	2020 Company 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

(a) Capital grant	2021 Group TZS'000	2020 Group TZS'000	2021 Company TZS'000	2020 Company TZS'000
At start of the period	**1,257,229**	1,102,316	**1,257,229**	1,102,316
Grant received	**-**	218,753	**-**	218,753
Grant amortization	**(54,688)**	(63,840)	**(54,688)**	(63,840)
At end of the period	**1,202,541**	1,257,229	**1,202,541**	1,257,229

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.

(b) Revenue grant	2021 Group TZS'000	2020 Group TZS'000	2021 Company TZS'000	2020 Company TZS'000
At start of the period	**110,789**	31,514	**110,789**	**31,514**
Grant received	**-**	129,062	**-**	**129,062**
Grant amortization	**(53,925)**	(49,787)	**(53,925)**	**(49,787)**
At end of the period	**56,864**	110,789	**56,864**	**110,789**
(i) Business Incubation				
At start of the period	**110,789**	31,514	**110,789**	31,514
Grant received	**-**	114,062	**-**	114,062
Grant amortization	**(53,925)**	(34,787)	**(53,925)**	**(34,787)**
At end of the period	**56,864**	110,789	**56,864**	**110,789**
(ii) DSE Scholar investment challenge				
At start of the period	-	-	-	-
Grant received	-	15,000	-	15,000
Grant amortization	-	(15,000)	-	(15,000)
At end of the period	-	-	-	-
Total grant amortization (i + ii)	**(53,925)**	(49,787)	**(53,925)**	(49,787)

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.

24 SHARE CAPITAL

	2021 Company TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
The Exchange has authorized 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

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

Contract liabilities-listing fee from Corporate entities	**95,476**	85,000	**95,476**	85,000
Contract liabilities-listing fee from Government Bond	**814,369**	681,032	**814,369**	681,032
	909,845	766,032	**909,845**	766,032

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	**35,000**	20,950	**35,000**	20,950
Listing Fee-Government bonds	**681,032**	1,362,065	**681,032**	1,362,065
	716,032	1,383,015	**716,032**	1,383,015
(b) Trade payables and accruals				
Accruals	**806,063**	1,166,421	**541,183**	794,594
Trade Payables	**49,230**	93,159	**28,875**	56,079
	855,293	1,259,580	**570,058**	850,673
Total contract liabilities (a + b)	**1,765,138**	2,025,612	**1,479,903**	1,616,705

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 (CONTINUED)

(b) Trade payables and accruals (continued)

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.

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

	2021	2020	**2021**	2020
	Group	Group	**Company**	Company
	TZS'000	TZS'000	**TZS'000**	TZS'000
Short-term employee benefits (salaries and allowances)	**1,185,241**	1,064,090	**837,298**	790,223
Post-employment benefits (defined contribution plans)	**160,140**	151,890	**117,499**	110,810
	1,215,980	1,215,980	**954,797**	901,033

ii. Director fee				
Directors' fees	**170,700**	165,075	**129,500**	129,500
	170,700	165,075	**129,500**	129,500

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.

	2021 Group TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
Net profit attributable to shareholders (TZS)	**3,997,196**	4,639,045	**3,971,582**	4,533,069

27 EARNINGS PER SHARE (CONTINUED)

	2021 Group TZS'000	2020 Group TZS'000	**2021 Company TZS'000**	2020 Company TZS'000
Weighted average number of ordinary shares in issue (note 24)	**23,824**	23,824	**23,824**	23,824
Basic/diluted earnings per share (TZS)	**167.78**	194.72	**166.71**	190.27
Dividends paid	**2,783,095**	1,772,996	**2,783,095**	1,772,996
Dividend per share	**116.82**	74.46	**116.82**	74.46

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 6th Dar es Salaam Stock Exchange Public Limited Company (DSE) Annual General Meeting, the DSE Shareholders approved a final dividend of TZS 116.81 per share (2019 TZS 74.46). That amounted to TZS 2,783 million Date of payment was 15th August 2021.

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 SUBSEQUENT EVENTS

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