

BAKHRESA FOOD PRODUCTS

LTD

ILDEFONCE LUNLI NDEMELE
Advocate, Notary Public & Commissioner for Oaths

12/2/2014

ENTRIES IN THE REGISTER
TITLE No. 1720

GOVERNMENT LEASEHOLD

No. 11.00 Registered 25-3-69 at 8:00 a.m.
To STATE TRADING CORPORATION
Declared Value Shs. 112,300/=.

[Signature]
Asst. Registrar of Titles

MORTGAGE

No. 100,276 Registered 5.9.94 at 10:00 a.m.
To NATIONAL BANK OF COMMERCE
To secure an unspecified amount
(Including T. 15707)

[Signature]
REGISTRAR OF TITLES

TRANSFER

No. 59634 Registered 25-8-72 at 12:00 p.m.
To NATIONAL ENGINEERING COMPANY
LIMITED, of Box 1186, DAR-ES-SALAAM.
Cons. Shs. 320,000/= (including
title No. 17507)

[Signature]
Asst. Registrar of Titles

CHANGE OF NAME
F.D. 100,276

No. 103684 Registered 13-4-99 at 10:55 A.M.
To NBCC (1997) LIMITED
DISCHARGED - F.D. 103685
ON 13-4-99 AT 10:55 A.M.

[Signature]
REGISTRAR OF TITLES

NOTICE OF DEPOSIT

No. 60247 Registered 23-1-73 at 10:15 a.m.
WITHDRAWN - F.D. 103754
To THE NATIONAL BANK OF
COMMERCE.
ON 10-5-94 AT 1:00 P.M.

[Signature]
SEN. ASST. REGISTRAR OF TITLES

TRANSFER

No. 140917 Registered 20.1.2012 at 9:00 A.M.
To MOHAMED MUNIF ABDALLAH
ALNAHDI OF P.O. Box 20496, D'SALAAM.
(Cons. US\$. 1,500,000).

[Signature]
Asst. Registrar of Titles

MORTGAGE

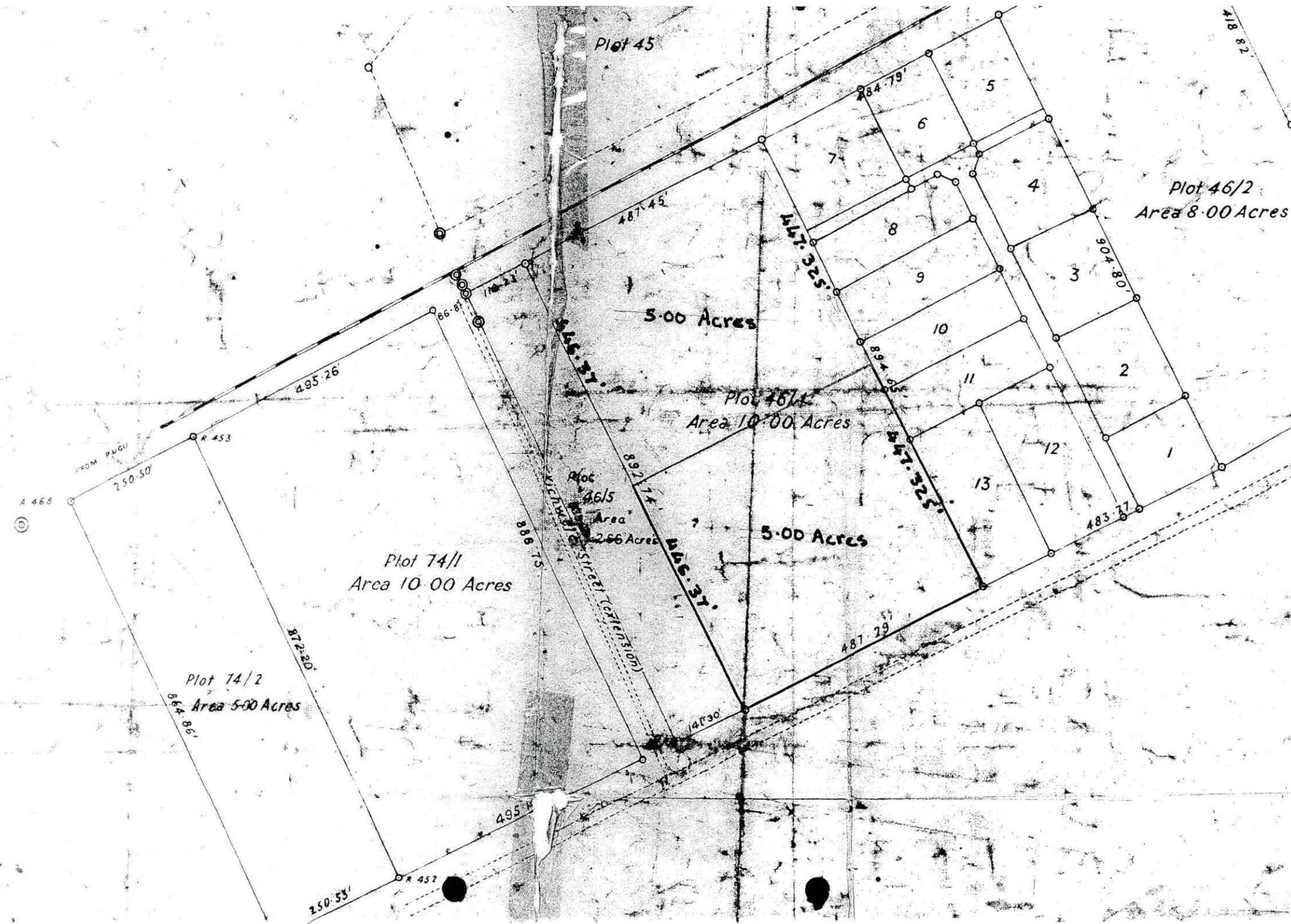
No. 61733 Registered 16-10-73 at 10:00 a.m.
To TANZANIA INVESTMENT BANK
To secure Shs. 2,000,000/=

(Including title 17507)
DISCHARGED UNDER F.D. 100,276
5.9.94 AT 10:00 A.M.

TRANSFER OF R/O.

No. 145933 Registered 21.8.2012 at 9:14 A.M.
To BAKHREJA FOOD PRODUCTS LTD
OF BOX 2517 D'SALAAM
(Incons of USD 1,500,000/-)

[Signature]



SUMMARY

TITLE NO. 17506.

Conditions Imposed by the Former German Government

1. The registered owner shall at any time on demand of the Government and on receipt of a proportionate part of the original purchase price (Shs. 6/= per hectare) and on payment of compensation for such expenditure as may have increased the value of the land, surrender and yield up such portion or portions of the land as shall be required for (a) the construction of railways, streets, roads, ditches, canals, telegraph lines including such protective strips as may be deemed necessary, and other public works, especially measures for drainage; (b) the getting and dumping of earth, stone and other material, and the dumping on the said land of such material got elsewhere and required for the said public works, even when such works are constructed only parallel to or abutting on the boundary of the said land, and the provision of necessary roads of access to such works.

2. The registered owner shall keep open for public traffic all existing roads and also, at the request of the Government, roads made by the registered owner so far as they traverse the said land.

(The foregoing is a translation of an extract from a Contract of Purchase dated 18th August, 1912 made between Landesfiskus of the one part and Paul Devers of the other part). *De*

ENTRIES IN THE REGISTER

TITLE No. 17503

GOVERNMENT LEASEHOLD

11.00

No. - Registered 25-3-69 at a.m.

To STATE TRADING CORPORATION

Declared Value Shs. 112,300/=.

[Signature]
Asst. Registrar of Titles

MORIGAGE

No. 100,276 Registered 5-9-94 at 10:00 a.m.

To NATIONAL BANK OF COMMERCE

DISCHARGED - F.D. 103685
ON 13-4-99 AT 10:55 A.M.
(To secure an unspecified amount)
(Including T. 15707)

[Signature]
REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12:18 p.m.

To NATIONAL ENGINEERING COMPANY LIMITED, of Box 1186, DAR-ES-SALAAM

Cons. Shs. 320,000/= (including title No. 17507)

[Signature]
Asst. Registrar of Titles

CHANGE OF NAME

F.D. 100,276

No. 103684 Registered 13-4-99 at 10:55 A.M.

To NBCC (1997) LIMITED

DISCHARGED - F.D. 103685

ON 13-4-99 AT 10:55 A.M.

[Signature]
REGISTRAR Asst. Registrar of Titles

NOTICE OF DEPOSIT

No. 60247 Registered 23-1-73 at 10:16 a.m.

To THE NATIONAL BANK OF COMMERCE

WITHDRAWN - F.D. 103754
ON 10-5-99 AT 1:00 P.M.

[Signature]
SEN. ASST. REGISTRAR OF TITLES

TRANSFER

No. 140917 Registered 20-1-2012 at 1:00 A.M.

To MOHAMED MUNIF ABDALLAH

ALNAHDI OF P.O. BOX 20496, DUSALAAM.
(Cons. U.S. 1,500,000).

[Signature]
SEN. ASST. REGISTRAR OF TITLES

MORTGAGE

No. 61733 Registered 16-10-73 at 10:00 a.m.

To TANZANIA INVESTMENT BANK

To secure Shs. 2,000,000/=

Including title 17507
DISCHARGED UNDER F.D. 100,276 ON
5-9-94 AT 10:00 A.M.

No. Registered at m

To

The Land Registration Ordinance (Cap. 334)

Certified as a True Copy of the Original

[Signature]
ILDEFONCE LUNILI NDEMELA
Advocate, Notary Public & Commissioner for Oaths

12/2/2014



RIGHT OF OCCUPANCY
**CERTIFICATE OF TITLE TO GOVERNMENT
LEASEHOLD LAND**

This is to certify that leasehold land hereinafter described is registered in the Land Registry under Title No. 17506

Copies of the subsisting entries in the register are within.

Dated the 25th day of March, 19 69

[Signature]
Asst. Registrar of Titles

Title No. 17506 Description of registered land:

ALL THAT piece or parcel of land situate on Pugu Road in the Municipality of Dar es Salaam containing approximately Five (5) acres or thereabouts and known as part of Plot No.46/4, Enemy Property Lot No.20 as delineated and edged in red on Survey plan No. E¹/159^b/5847 annexed hereto.

SUBJECT to the obligations and restrictions as set out in the Schedule annexed hereto.

SUBJECT to the provisions of Section 88 as to Survey.

A/DAR/4514

ENTRIES IN THE REGISTER
TITLE No. 17507

GOVERNMENT LEASEHOLD

No. 11.00 Registered 25-3-99 at 10.00 a.m.
To 2045 11.000 2045 11.000
Declared Value Shs. 102,000/=

R. Sonalves
Asst. Registrar of Titles

MORTGAGE

No. 100,275 Registered 5-9-94 at 10.00 a.m.
To NATIONAL BANK OF COMMERCE
(To secure an unspecified amount)
(Including T. 17506)

R. Sonalves
Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12.10 p.m.
To NATIONAL ENGINEERING COMPANY
LIMITED, of Box 1186 DAR-ES-SALAAM
Cons. Shs. 320,000/= (including
title no. 17506)

S. S. S. S.
Asst. Registrar of Titles

CHANGE OF NAME
F.D. 100,275

No. 103684 Registered 13-4-99 at 10.55 A.M.
To NBC (1997) LIMITED
DISCHARGED - F.D. 103685
ON 13-4-99 AT 10.55 A.M.

S. S. S. S.
Asst. Registrar of Titles

NOTICE OF DEPOSIT

No. 6024 Registered 23-1-73 at 10.05 a.m.
WITHDRAWN - F.D. 103,755
To THE NATIONAL BANK OF
COMMERCE.
ON 10-5-99 AT 1.00 PM

S. S. S. S.
SEN. ASST. REGISTRAR OF TITLES

TRANSFER

No. 140918 Registered 20.1.2012 at 9:00 AM
To MOHAMED MUNIF ABDALLAH
ALNAHDI OF P.O. BOX 20496, D.SALAAM
(CONS. U.S. \$1,500,000)

M. Munif
SEN. ASST. REGISTRAR OF TITLES

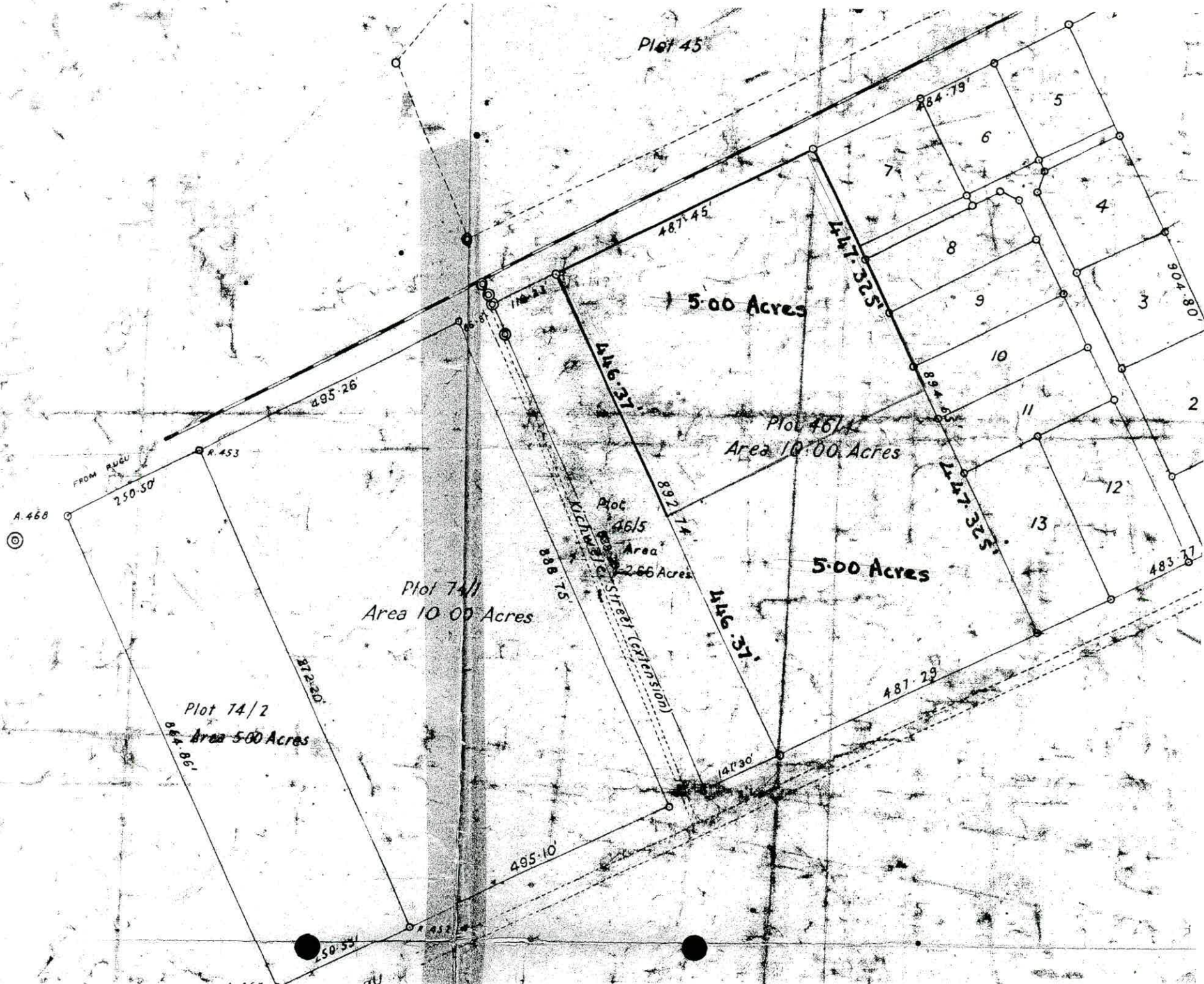
TRANSFER OR R/O

MORTGAGE

No. 61733 Registered 16-10-73 at 10.00 a.m.
To TANZANIA INVESTMENT BANK
To secure Shs. 2,000,000/= (including title no. 17506)

No. 145932 Registered 21.8.2012 at 9:00 AM
To BAKHRESA FOOD PRODUCTS L
OF BOX 2517 D.SALAAM.
(INCONS OF U.S. \$1,500,000)

A. A. A.



SCHEDULE

TITLE NO.17507.

Conditions Imposed by the Former German Government

1. The registered owner shall at any time on demand of the Government and on receipt of a proportionate part of the original purchase price (Shs.6/- per hectare) and on payment of compensation for such expenditure as may have increased the value of the land, surrender and yield up such portion or portions of the land as shall be required for (a) the construction of railways, streets, roads, ditches, canals, telegraph lines including such protective strips as may be deemed necessary, and other public works, especially measures for drainage; (b) the getting and dumping of earth, stone and other material, and the dumping on the said land of such material got elsewhere and required for the said public works, even when such works are constructed only parallel to or abutting on the boundary of the said land, and the provision of necessary roads of access to such works.
2. The registered owner shall keep open for public traffic all existing roads and also, at the request of the Government, roads made by the registered owner so far as they traverse the said land.

(The foregoing is a translation of an extract from a Contract of Purchase dated 18th August, 1912 made between Landesfiskus of the one part and Paul Devers of the other part). *Q*

ENTRIES IN THE REGISTER

TITLE No. 17507

GOVERNMENT LEASEHOLD

11.00

No. Registered 25-3-69 at a.m.

To STATE TRADING CORPORATION

Declared Value Shs. 102,000/=

Ronales
Asst. Registrar of Titles

MORIGAGE

No. 100,275 Registered 5-9-94 at 10.00 a.m.

DISCHARGED - F.D. 103685
To NATIONAL BANK OF COMMERCE

ON 13-4-99 AT 10.55 A.M.
(To secure an unspecified amount)
(Including T. 17506)

JRH
REGISTRAR
Ronales
Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12.00 p.m.

To NATIONAL ENGINEERING COMPANY LIMITED, of Box 1186 JAR-ES-SALAAM

Cons Shs 320,000/= (including title no. 17506)

ambaya
Asst. Registrar of Titles

CHANGE OF NAME
F.D. 100,275

No. 103684 Registered 13-4-99 at 10.55 A.M.

To NBC (1997) LIMITED

DISCHARGED - F.D. 103685

ON 13-4-99 AT 10.55 A.M.

JRH
REGISTRAR
Ronales
Asst. Registrar of Titles

NOTICE OF DEPOSIT

No. 6024 Registered 23-1-73 at 10.05 a.m.

WITHDRAWN - F.D. 103,755
To THE NATIONAL BANK OF

ON 10-5-99 AT 1.00 P.M.
COMMERCE.

ambaya
SEN. ASST. REGISTRAR OF TITLES

TRANSFER

No. 140918 Registered 20-1-2012 at 9:00 Am

To MDHAMES MUNIF ABDALLAH

ALNAHDI OF P.O. BOX 20496, DSALAAM
CONS. U.S. \$1,500,000)

Sen. Asst. Registrar of Titles

MORTGAGE

No. 61733 Registered 16-10-73 at 10.00 m

To TANZANIA INVESTMENT BANK

To secure Shs. 2,000,000/=

(Including title no 17506)
DISCHARGED UNDER FD 100,275
ON 13-4-99 AT 10.55 A.M.
ambaya

No. Registered at m

To

The Land Registration Ordinance (Cap. 334)

RIGHT OF GOVERNMENT

**CERTIFICATE OF TITLE TO GOVERNMENT
LEASEHOLD LAND**

This is to certify that leasehold land hereinafter described is registered in the Land Registry under Title No. 17507

Copies of the subsisting entries in the register are within.

Dated the 25th day of March 19 69.

R. Sonelwe
Asst. Registrar of Titles

Title No. 17507 Description of registered land:

ALL THAT piece or parcel of land situate on Pugu Road in the Municipality of Dar es Salaam containing approximately Five (5) acres or thereabouts and known as part of Plot No. 46/4, Enemy Property Lot No. 20 as delineated and edged in red on Survey Plan No. E¹/159b/5847 annexed hereto.

SUBJECT to the obligations and restrictions as set out in the Schedule annexed hereto.

SUBJECT to the provisions of Section 88 as to Survey.

A/DAR/4515.

BAKHRESA FOOD PRODUCTS LIMITED

P O BOX 2517 DAR ES SALAAM TANZANIA

Tel: +255 22 2180194 Fax: +255 22 2180167



UHAI DRINKING WATER PROJECT- UNIT II

Project Implementation Schedule:

The contract for supply of the main machinery lines have been signed and negotiations with the suppliers of other equipments are at an advanced stage. The preliminary civil works have begun.

The implementation schedule is shown below:

Now	to	April 2014	Finalization of supply contracts
Now	to	January 2015	Factory building & other civil Construction
Aug 2014	to	March 2015	Shipment and clearance of Plant & Machinery
April 2015	to	December 2015	Plant erection and installation
Jan 2016	to	May 2016	Trial runs, tests and training
June 2016	to	Sept 2016	Plant Commissioning and Acceptance
October 2016			Start of commercial production
Within Dec 2016			Completion of project implementation

BAKHRESA FOOD PRODUCTS LIMITED

P O BOX 2517 DARES SALAAM TANZANIA

Tel: +255 22 2180194 Fax: +255 22 2180167



EXTRACTS OF THE MINUTES OF THE MEETING OF THE DIRECTORS HELD ON 04 DECEMBER 2013

"It was RESOLVED THAT:

- a) The project for setting up the second unit for production of Uhai Bottled Drinking Water at 46/4 Pugu Road, Dar es Salaam be registered with the Tanzania Investment Centre in Dar es Salaam.
- b) The necessary application and documents required for such registration be prepared and submitted to the Managing Director for approval by 20/12/2013."


CHAIRMAN

CERTIFIED AS A TRUE COPY.


CHAIRMAN


SECRETARY

BAKHRESA FOOD PRODUCTS LTD.
P. O. Box 2517
DAR ES SALAAM

LIMIT SPECIFIC CONDITION:

1. Payments will be made directly to suppliers

SECURITY

1. Specific charge over equipment to be financed

TERMS & CONDITIONS

1. Existing terms and conditions to remain unchanged
2. Financial covenants to be advised to BFPL upon final approval of the facilities
3. Any other terms that may be stipulated upon completion of the credit appraisal process
4. Consent from NMB to register the specific charge over the equipment to cover the additional facility

GOVERNING LAWS

The Facility Agreement shall be governed by and construed in accordance with the Laws of Tanzania

CONFIDENTIALITY


This information is provided on the express understanding that the information herein will be regarded as proprietary to Standard Chartered Bank Tanzania Limited (SCBT) and strictly confidential. The proposal shall not be made available to anyone other than the recipient's employees and its professional advisers without the prior written approval of SCB. The recipient shall not use any information disclosed herein for its own benefit with any other institutions other than SCB.

We thank you for considering Standard Chartered Bank Tanzania for this opportunity and look forward to discussing this proposal with you. Should you require any additional information, please do not hesitate to contact the undersigned.

Yours faithfully,



Alfred Shao
Relationship Manager
Origination & Client Coverage



Ferni Alonge
Head of Sales
Origination & Client Coverage

We agree to the above terms and conditions

Mr. Said Salim Bakhresa
Managing Director
Bakhresa Food Products Limited

The term sheet described herein is intended for discussion purposes only and is neither a commitment nor an offer to commit to any transaction or financing by Standard Chartered Bank or its affiliates or subsidiaries ("Standard Chartered Bank"). The issuance of any Offer or Commitment Letter will be subject to satisfactory due diligence of the Borrower, receipt of internal credit and other approvals and receipt of a favourable legal opinion from Standard Chartered Bank's legal counsel. The following terms and conditions are subject to modifications at the discretion of Standard Chartered Bank.

Standard Chartered Bank Tanzania Limited

2nd Floor, International House
Shaaban Robert St./Garden Avenue
P.O. Box 9011, Dar es Salaam

Direct Line: +255 (22) 2113771
Tel: +255 (22) 2122160
Fax: +255 (22) 2113783

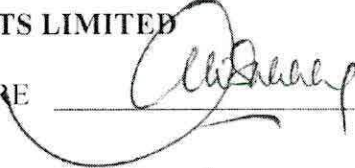
We, the undersigned, on behalf of ourselves and on behalf of **BAKHRESA FOOD PRODUCTS LIMITED** having been dully authorized by the company, hereby confirm that, we have read and understood conditions stipulated above and therefore accept terms and conditions contained in this offer letter for the term loan facility.

FOR AND ON BEHALF OF: **BAKHRESA FOOD PRODUCTS LIMITED**

SIGNATURE



SIGNATURE



NAME

Said Salim Awadh Bakhresa

NAME

Ali Saleh Karama

DESIGNATION

Managing Director

DESIGNATION

Company Secretary

DATE

23rd September 2013

DATE

23rd September 2013

.....
COMPANY SEAL



24. DISCOUNT (WHERE APPLICABLE)

The relevant discount charge(s) will be deducted from the proceeds of cash bill discounted and therefore only the balance will be credited to the Borrower's account.

25. ACCEPTANCE

The facility will be reviewed semi-annually on review date except where otherwise expressly state. All amendments shall be advised by a Banking Offer letter supplemental to this Banking Offer Letter ("*Supplementary Banking Offer Letter*"). This banking offer letter once accepted otherwise remains in full force and effect, subject to termination as aforesaid, throughout the life of the facilities enumerated herein provided the facilities or any part thereof are being utilized. Please signify acceptance of the foregoing by signing and returning to us the copy of this letter, together with Board Resolution attached duly executed by **15th October, 2013**.

Yours Sincerely,

NATIONAL MICROFINANCE BANK PLC.


RICHARD MAKUNGWA
AG: CHIEF WHOLESALE BANKING


WAZIRI BARNABAS
CHIEF FINANCE OFFICER

18. SECURITIES

- a) All securities to be taken by the Bank:
 - i) shall be in a form agreed by the Bank and shall be prepared, executed and perfected at the borrower's cost by advocates of the Bank's choice.
- b) Any security taken by the Bank or any money deposited with the Bank shall continue to be held by the Bank and shall not be released/withdrawn until any expired guarantee, bonds, indemnities, documentary or other credits or any instruments whatsoever from time to time entered into by the Bank for the borrower's account have been returned to the Bank for cancellation.
- c) Utilization and availability of the Facility is subject to perfection of the security offered.

19. BANKING TRANSACTIONS

At least a pro-rata share of the Borrower's Banking Business will be routed through the Bank. This would include payments and collections running through the account, FX transactions, Documentary Credit transactions and any Fixed Deposits or Call Account arrangements. The Bank's representatives and the Borrower's representatives will meet quarterly to evaluate the relationship in all respects whereby the Bank reserves the right to adjust pricing, both upward and downward, of the credit facilities to reflect the realized cross sell over the period.

20. LEGAL/VALUATION FEES

- a) All legal fees pertaining to the preparation and perfection of the security documentation will be for the account of the Borrower, and may be debited to the Borrower's account without need for the Borrower's consent.
- b) Regular valuations of property charged to the Bank will be conducted by qualified individuals, nominated and requested by the Bank at such intervals as the Bank may determine. All costs associated with this exercise will be for the account of the Borrower and may be debited to the Borrower's account without need for the Borrower's consent.
- c) The Borrower will on demand pay the Bank all costs charges expenses or other sums incurred by the Bank in obtaining or attempting to obtain payment of any debt due from the Borrower including without limitation, legal fees, auctioneer's charges and valuation charges. This shall be deemed to be a debt due from the Borrower and shall bear interest at the same rate as the Facility herein until payment in full.

21. STOCK/PROPERTY INSPECTION

Stock/Property inspection where applicable will be carried out in frequencies dictated by the Bank's credit committee at mutually convenient times.

22. GOVERNMENT FEES, LEVIES, ETC.

Any Government, Local Authority or other fees levies taxes or other imposts in relation to these facilities the security documentation or the repayment of the facilities will be for the account of the Borrower.

23. OTHER COSTS

All costs for the discharge of any securities will be for the account of the Borrower.

Agreement or any other document relating to or incidental to this Agreement and for such purposes irrevocably submits to the non-exclusive jurisdiction of such court.

- c) Nothing contained in this Clause shall limit the right of the Bank to take proceedings against the Borrower in any other court of competent jurisdiction nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction either concurrently or not (unless precluded by applicable law).
- d) The Borrower irrevocably waives any objection which it may have now or in the future to the High Court of Tanzania Commercial Court Division being nominated for the purpose of this Clause on the grounds of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

13. WAIVER NOT TO PREJUDICE BANK'S RIGHTS

The Bank may as it deems fit neglect or forbear to enforce any of the terms of this Banking Offer Letter or waive such conditions of any breach of the Borrower or the same without prejudice to its right at any time afterwards to act strictly in accordance with the originally agreed terms in respect of the existing or subsequent breach.

14. AVAILABILITY

The availability of these facilities is at all times subject to the Bank's compliance in such manner as it thinks fit with any and all restrictions rules and regulations of the Central Bank of Tanzania or any other applicable regulatory authority from time to time in force and all terms and conditions hereof remain subject to any directions of the Central Bank of Tanzania as advised to the Bank from time to time.

15. PAYMENT ON DEMAND

In terms of normal banking practice, the Facilities or part of them may be recalled by the Bank by written notice to that effect, payable either upon demand or within a period stated in the notice in which event the Facilities in question are canceled and any liability to the Bank becomes payable either forthwith or on the date stated in the demand, as the case may be:

16. CURRENCY INDEMNITY

In the event of the facility being denominated in its entirety or partially in a currency other than Tanzanian Shilling (TZS) and/or where securing margins or deposits are in currency other than that of the facility, the bank reserves the right in the absence of the borrower having sufficient funds in the currency of the facility to effect the repayment, to purchase sufficient funds in the currency of the facility to the debit of, or/and offset the customer's Tanzanian Shilling Current, deposit and/or margin Account, using the ruling exchange rate on the day. The shortfall and exchange risk associated with this (i.e. the difference between the exchange rate on the day the facility was drawn down, and the day the Bank purchases foreign currency on behalf of the Borrower to effect the repayment) is for the account of the Borrower. Such purchase shall be on the terms that the Bank carries on Foreign Exchange (FX) Transactions as amended from time to time.

17. FEES/COMMISSION

The Bank reserves the right to review/amend/alter fees and commission at its sole discretion as appropriate and advises you accordingly.



8. CONTINGENT LIABILITIES

In the event of the Bank issuing a demand for repayment, all contingent liabilities together with other indebtedness or liabilities shall become immediately due and payable whereupon the Bank may in addition to other rights herein call for cash cover and/or debit the Borrower's account(s) for all such contingent liabilities and for all notes or bills accepted endorsed or discounted and all bonds guarantees indemnities documentary or other credits or any instruments whatsoever issued by the Bank on behalf of or at the request of the Borrower.

9. CHANGE IN CONSTITUTION

All security, agreement(s), obligation(s) given by the Borrower shall continue to be valid and binding notwithstanding any change in the constitution of the Borrower by amalgamation, consolidation, reconstruction, and new shareholding or otherwise.

10. PAYMENTS

All payments by the Borrower in respect of the facilities shall be made in full without set-off deductions or counterclaims and free of and without deduction for or on account of tax unless the Borrower is required by law in any jurisdiction to make any such payments subject to such withholdings or deductions, in which case the Borrower shall pay such additional amount to the Bank as may be necessary in order that the actual amount received after such withholding or deduction shall equal the amount that would have been received if such withholding or deduction were not required. The Borrower shall fully indemnify the Bank from any liability with respect to the delay or failure by the Borrower to pay any taxes or charges. Without prejudice to the foregoing, the Borrower shall complete such forms and documentation as may be required from time to time by the Bank for the purpose of conferring upon the Bank the benefit of any applicable tax treaties or provision under applicable law for any other purposes in connection therewith.

11. DISCLOSURE

- a) To enable the Bank to comply with regulatory requirements, the Borrower, by its acceptance of the facilities, irrevocably consents to the disclosure by the Bank its officers and agents in any manner however of any information relating to the Borrower and its account relationship with the Bank including without limitation, details of the Borrower's facilities, the securities taken, the Borrower's credit balances and deposits with the Bank to (i) the Bank's head office, any of its representative and branch offices in any jurisdiction, related corporations, ii) any regulatory or supervisory authority including fiscal authority in any jurisdiction, (iii) any potential assignee of the Bank or other participant in any of its rights and/or obligations in relation to the Borrower's facilities, (iv) any guarantors, third party pledge or security providers and the Bank's agents and (v) any Tanzania Bankers Associations approved Credit Reference Bureau.
- b) To enable the Bank to make a comprehensive assessment of the Borrower, the Borrower, by its acceptance of this facility irrevocably consents to the Bank to make any enquiries with any Bank, Financial Institution, or Tanzania Bankers Associations approved Credit Reference Bureau in Tanzania to confirm any information provided by the Borrower or in seeking further information about the Borrower.

12. GOVERNING LAW AND JURISDICTION

- a) This Agreement is governed by and shall be construed in accordance with the law in Tanzania.
- b) The Borrower irrevocably agrees for the exclusive benefit of the Bank that the High Court of Tanzania Commercial Court Division shall have jurisdiction to hear and determine any suit action or proceeding and to settle any dispute which may arise out of or in connection with this

5. COST EXPENSES AND FEES

The Borrower agrees that:

- i) All costs and expenses whatsoever including legal and auctioneers costs connected with the recovery or attempted recovery of moneys owing under the Facilities as well as the contesting of any involvement in any legal proceedings of whatsoever nature by the Bank for the protection of or in connection with any account(s) or assets of the Borrower shall be payable by the Borrower on demand, on a full indemnity basis, together with interest from the date the costs and expenses are incurred to the date of full payment at such rate as the Bank may prescribe (both before and after judgment).
- ii) The bank shall have the right at any time to debit the Borrower's account with interest, commission, charges, fees and all monies arising from the Facilities as well as all amounts and sums of money mentioned in the preceding subparagraph (i) payable by the Borrower. No such debiting shall be deemed to be a payment of the amount due (except to the extent of any amount in credit in the Borrower's current account(s) or a waiver of any event of default under any agreement relating to the facilities. If such debiting causes the Borrower account(s) to be overdrawn or overdrawn beyond the permitted limit, interest and any other applicable charges shall be payable accordingly.

6. RECONSTRUCTION, ASSIGNMENT AND ORGANISATION

- i. The Borrower shall not without the prior written consent of the Bank, such consent not to be unreasonably withheld, effect any material change in ownership/shareholding by new shareholders nor undertake or permit any arrangement or reconstruction of its present constitution. The Borrower shall obtain the written consent of the Bank before effecting any alteration of the Borrower's Memorandum and Articles of Association relating to the borrowing power or the principal business of the Borrower.
- ii. Any proposed transfer of shares in the company which would result in a change in the effective control of the Company will be notified to the Bank in writing not less than 15 days before it is effected. Such transfer shall not be effected without the written consent of the Bank, which consent will not be unreasonably withheld. Effective control shall mean the ownership of 50% of the issued share capital or control over the appointment of at least 50% of the directors of the Company.
- iii. The borrower may not assign or transfer all or any of its rights, benefits or obligations under or referred to in the Agreement without the Bank's prior written consent; which consent may be given at the Bank's sole discretion and on such conditions as the Bank deems fit.

The Bank may at any time assign or transfer to any person all or any of its rights, benefits or obligations under or referred to in the Agreement or change its lending office, subject to 30 days' notice.

7. SET OFF, COMBINATION OR CONSOLIDATION OF ACCOUNTS

The Bank shall be entitled (but shall not be obliged) at any time and without notice to the Borrower to combine, consolidate or merge all or any of the Borrower's accounts and liabilities with and to the Bank anywhere whether in or outside the Republic of Tanzania and may transfer or set off any sums in credit in such accounts in or towards satisfaction of any of the Borrower's liabilities whether actual or contingent, primary or collateral notwithstanding that the credit balances on such accounts and the liabilities on any other accounts may not be expressed in the same currency and the Bank is hereby authorized to effect any necessary conversions at the Bank's own rate of exchange then prevailing.

becoming aware of the occurrence of it.

9. Your Company is in default on its commitments under this Facility if and when in relation to any other debt to the Company, a default is declared by one of its lenders.

The facilities offered herein may be terminated at any time if the representations and warranties, are found not to be or cease to be true.

C. FINANCIAL CONVENANTS

THE BORROWER COVENANTS WITH THE BANK THAT:

Submission of Audited financial statement within 180 days after financial year end and quarterly management accounts 45 days after every quarter end.

D. TERMS AND CONDITIONS

1. OPERATIONAL PRICING

All transactions arising from the operation of the above facilities or the provision by the Bank of other services should be agreed in writing by the Bank.

2. INTEREST

- i Interest on the facilities will be calculated on a daily basis on the daily overdrawn or outstanding balances and based on a 365 days unless otherwise stated or agreed by the Bank.
- ii The interest rate(s) (including for additional interest – where applicable) may be varied by the Bank from time to time based on market conditions. Interest is to be calculated in accordance with the usual practice of the Bank from time to time. The Borrower agrees that the Bank's right to charge interest shall continue notwithstanding that the relationship of bank and customer may have ceased to exist by reason of a demand or otherwise until the date of full payment. The Bank will notify the Borrower prior to any variation of the rate of interest or additional interest by providing notice in writing.
- iii Additional interest at such rate(s) as may be stipulated or altered by the Bank from time to time in addition to the prescribed rate for the Facilities stated in this letter (*or as varied*) will be charged on all overdue installments of principal and interest on loans, fees, commissions and all other charges not paid when due. Upon recall or demand the Borrower shall pay to the Bank interest at the rate of 3% per annum above the Bank's lending rate, inclusive of both the base rate and margin (or at such other rate(s) as the Bank may stipulate from time to time) on the outstanding, interest and other moneys due and owing to the Bank until the date of full settlement (both before and after judgment).
- iv Interest will be debited to the Borrower's account at a day convenient to the Bank once in each calendar month.

3. APPLICATION OF MONEYS

If any sum paid or recovered in respect of the Borrower's liabilities is less than the amount then owing, the Bank may apply that sum to interest, fees, principal or any amount due in such proportions and order and generally in such manner as the Bank thinks fit or may credit the same or part thereof to a suspense account if the Bank thinks fit.

4. SUPPLY OF INFORMATION

The Borrower shall supply to the Bank immediately upon request all statements, information, material and explanation as may be reasonably required by the Bank from time to time and submit its audited Balance Sheet and Profit and Loss Accounts together with the Directors Report to the Bank every year immediately after their issue but in any case not later than 180 days after the close of the Borrower's financial year.

A. CONDITIONS PRECEDENT TO FACILITY UTILISATION

CONDITIONS PRECEDENT:

Without prejudice to the confirmed nature of the Facility no utilization of the Facility shall be made unless the Bank shall have received in form and substance satisfactory to the bank;

1. Execution of facility letter.
2. Submission of Board Resolution in form acceptable to the Bank from the Borrower approving, inter alia, the entering into of the Facility by the Borrower and security documentation.

SUBSEQUENT CONDITIONS:

1. Company's total collections to be routed through the Bank on prorate with other lenders.
2. Cross default.
3. Cross acceleration.
4. No further debt without consent.
5. No dividend without consent.
6. No change of control.
7. Subordination of shareholders' loan(s).
8. No on-lending/intercompany loans without consent.
9. At any point in time the Company should maintain EBITDA to Total Borrowing Ratio not below 4%.

B. REPRESENTATIONS AND WARRANTIES

You represent and warrant to us from and after the date hereof, so that such representations and warranties shall be deemed to be repeated at all times so long as any sums shall remain actually or contingently owing to us hereunder that:-

1. You are a private limited company duly constituted and validly existing under the laws of Tanzania and that you have the power and authority to own your property and assets and to carry on your business as it is now being conducted;
2. Your execution of the Finance Documents (which term shall refer to this Letter, and to any other document you may be required to execute in relation to the facilities offered herein) and the performance of their terms are within your powers and have been duly authorised by all necessary actions and do not and will not contravene any law or any contractual or other restriction binding upon you and will not result in the creation or imposition of any encumbrance on your property, assets or revenues otherwise than as contemplated by this Letter ;
3. Each Finance Document shall on the execution constitute a legally binding obligation enforceable in accordance with its respective terms.
4. The audited accounts of the company most recently delivered to us:
 - (a) have been prepared in accordance with generally accepted international accounting standards, consistently applied; and
 - (b) fairly represent the financial condition of the company as at the date to which they were drawn up,
5. There has been no material adverse change in the financial position of the company since the date to which the accounts referred to in clause (4) above were drawn up.
6. Save as previously disclosed to us in writing, no litigation, arbitration or administrative proceedings are current or, to your knowledge, pending or threatened, which if adversely determined, are likely to have a material adverse effect on your business or financial condition or your ability to perform your obligations under the Finance Documents.
7. There is no dispute or litigation whatsoever subsisting between your directors as such directors or between your directors and the Company. If any such dispute or litigation is threatened, occurs or is instituted, you will notify the Bank forthwith.
8. You shall notify the Bank of any Event of Default, or event that, with the giving of notice and/or lapse of time or other applicable condition, might constitute an Event of Default, forthwith upon

12. A first ranking Chattel Mortgage over one (1) PET Bottling line, Kronos of 2010 manufactured in Germany situated at Mwandege Area, Dar es Salaam, in the name of Bakhresa Food Products Limited.
13. A first ranking Chattel Mortgage over two (2) PET Bottling line, Kronos manufactured in 2011 manufactured in Germany at Mwandege Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
14. A first ranking Chattel Mortgage over one (1) Closures, manufacturing plant Sacmi Imola line manufactured in 2011 in Italy situated at Mwandege Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
15. A first ranking Chattel Mortgage over two (2) plastic preform plant, PET line 96N/11- Calitec Type manufactured in Switzerland, situated at Mwandege Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
16. A first ranking Chattel Mortgage over installation machineries, Kronos supplied with cables manufactured in 2011 by Barham Germany situated at Mwandege Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
17. A first ranking Chattel Mortgage over one (1) PET preform injection molding system Type KM 175-3500CV manufactured in 2011 by Krauss Maffei GmbH Germany at Mwandege Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
18. A first ranking Chattel Mortgage over one (1) Coconut Cream Pasteurizer, Tetra Therm Aseptic Coconut Cream UHT Sterilizer, Model VTIS manufactured in 2009 by Tetra Pak-Sweden at Vingunguti Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
19. A first ranking Chattel Mortgage over recycling machineries at Mbozi Road Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
20. A first ranking Chattel Mortgage over Netstal-injection molding machinery at Mbozi Road Area, Dar es Salaam in the name of Bakhresa Food Products Limited.
21. A first ranking Chattel Mortgage over one (1) liter Tetra Pak filling line machinery manufactured in 2009 at Vingunguti Area, Dar es salaam Region in the name of Bakhresa Food Products Limited.
22. A first ranking Chattel Mortgage over one (1) PET bottle recycling plant, Sarema Model WPI, manufactured in 2007 by Sarema Plastics Recycling System-Italy at Mbozi Road Area, Dar es Salaam in the name of Bakhresa Food Products Limited.
23. A first ranking Chattel Mortgage over Extrusion System, Vacurema Advanced Model 1310T manufactured in 2007 by Erema Engineering-Switzerland situated at Mbozi Road Area, Dar es salaam in the name of Bakhresa Food Products Limited.
24. A first ranking Chattel Mortgage over ten (10) trailers bought from Super doll Trailer Manufacturer Company Limited in 2011 in the name of Bakhresa Food Products Limited.
25. Chattel Mortgage over machineries and equipments at Fumba Area to be shared on *pari passu* with Rabobank which has financed the machineries to be installed at Fumba Area, Zanzibar in the name of Azam Dairy Products Limited.
26. Cross Company Guarantee to be issued by Reliable Property Developers Limited.
27. Directors' personal guarantees of Bakhresa Food Products Limited.

NEW SECURITIES TO BE OFFERED

1. Chattel Mortgage over Mercedes Benz Actros Trucks from D.T Dobic Kenya (proposed thirteen (13) units).
2. Chattel Mortgage over CSD Blend Processing line from Indag Germany (proposed one (1) line).
3. Chattel Mortgage over Steel structures from Phenix Construction (18,000 sqm and 40" H.C containers).
4. Chattel Mortgage over Scania trucks from Scania Tanzania Limited (proposed eleven (11) units).
5. Chattel Mortgage over Mango processing line from Parma machineries (proposed one (1) line).

SECURITY OFFERED: Up-stamping of the existing securities to cover total facilities by 125%.



CHARGES:

- (i) **Facility Fee:** Facility fee charged at 0.50% of the total approved facility amount which are US\$ 30,000 (Say United States Dollar Thirty Thousand Only) which will be recovered on acceptance of this offer letter. The fees will be debited to the current account on or about the anniversary of the date of the initial acceptance of the facilities whether or not a subsequent acceptance of the fees has been made or signed. Recovery of fees does not in itself constitute placement of funds at Borrower's disposal.
- (ii) **Default Interest:** In the event that the account goes into excess over the agreed limit, a penalty charge (currently at 5% per month equivalent in TZS) or at such other rate as the Bank may stipulate from time to time) will be levied on the daily excess and paid monthly in arrears. The penalty interest is in addition to the interest charge as mentioned above, which will be levied on the entire outstanding.
- (iii) **Third Party Fees:** Third party fees including legal and valuation fees to be for the account of Bakhresa Food Products Limited.
- (iv) **Other Fees:** As per the bank's tariff guide or as agreed otherwise.

SECURITIES HELD:

1. A first ranking debenture over all assets of the company, both present and future.
2. A first ranking legal mortgage over commercial building situated on Plot No. 883 and held under CT.No.40282/1 at Mwandege Area in Mkuranga District, Coast Region, in the name of Bakhresa Food Products Limited.
3. A first ranking legal mortgage over commercial building situated on Plot No. 4A and held under CT. No. 21385 LO. No. 41682 at Vingunguti Industrial Area, Dar es Salaam in the name of Bakhresa Food Products Limited shared on "*pari passu*" with Standard Chartered Bank (T) Limited.
4. A first ranking legal mortgage over commercial building on Plot No. 4C and held under CT. No. 29454 LO.No. 74816 at Vingunguti Industrial Area, Dar es salaam Region in the name of Bakhresa Food Products Limited shared on "*pari passu*" with Standard Chartered Bank (T) Limited.
5. A first ranking legal mortgage over commercial building on Plot No. 5 Block 74 and held under CT. No. 58969 LO.No. 243460 at Mchikichi Street Kariakoo, Dar es Salaam, in the name of Bakhresa Food Products Limited shared on "*pari passu*" with Standard Chartered Bank (T) Limited.
6. A first ranking legal mortgage over commercial building on Plot No. 33 Block 56 and held under CT. No. 55496 LO.No. 207246 at Mahiwa Street Kariakoo Area , Dar es Salaam, in the name of Reliable Property Developers Limited shared on "*pari passu*" with Standard Chartered Bank (T) Limited.
7. A first ranking legal mortgage over commercial building situated on Plot No. 1 CT. No. 92732 LO.No. 191790 Block "A" at Mwandege Area in Mkuranga District, Coast Region, in the name of Bakhresa Food Products Limited.
8. A first ranking legal mortgage over commercial building situated on Plot No. 2 CT. No. 96185 LO.No. 465518 Block "A" at Mwandege Area in Mkuranga District, Coast Region, in the name of Bakhresa Food Products Limited.
9. A first ranking legal mortgage over commercial building under construction at Fumba Area, Zanzibar in the name of Azam Dairy Products Limited.
10. A first ranking charge Chattel Mortgage over juice plant and machinery situated on Plot No. 4A at Vingunguti Industrial Area, Dar es Salaam in the name of Bakhresa Food Products Limited.
11. A first ranking Chattel Mortgage over ice cream plant and machinery situated on Plot No. 4C at Vingunguti Industrial Area, Dar es Salaam, in the name of Bakhresa Food Products Limited.



Strictly Private and Confidential

The National Microfinance Bank Plc,
NMB House, Azikiwe/Jamhuri Street,
P.O. Box 9213, Tel. 0222161000, Fax 022 2161361,
Dar es Salaam, Tanzania.

18th September, 2013

Ref. NMB/COR/BFPL/07/2013

Bakhresa Food Products Limited,
P.O. Box 2517,
Dar es Salaam,
Tanzania.

Attention: Mr. Said Salim Awadh Bakhresa.

Dear Sir,

RE: BANKING OFFER LETTER

National Microfinance Bank PLC (*"the Bank"*) is pleased to confirm its willingness to make available to Bakhresa Food Products Limited (*"the Borrower"*) banking facility (*"the Facility"*) outlined below on the terms and conditions set out in this Offer letter, subject to the covenants/conditions set out herein, and subject to the satisfactory completion of any security documentation.

FACILITY:

AMOUNT: US\$ 6,000,000 (Say United States Dollar Six Million Only).

FACILITY TYPE: Term Loan (new).

PURPOSE: To support procurement of assets

INTEREST: Interest rate will be pegged at prevailing 6 months LIBOR + 5% p.a. (currently at 0.376%+5%=5.376% p.a.) to be reviewed semi-annually. Interest shall be calculated from the date of the first drawdown/utilization of the facility and calculated on daily balances and payable in arrears.

TENOR: Sixty (60) months from the last drawdown with no grace period.

DRAWDOWN: After having met the conditions precedent.

REPAYMENT: Term loan re-paid monthly after the last drawdown from existing and future cash-flows.

AVAILABILITY: Up to 31st December, 2014 drawdown schedule to be submitted by Borrower.

1

Board Members: Prof. Joseph Semboja*, Mr. Albert Jonkergouw**, Mr. Jos Van Lange**, Mr. Mike Laiser*, Mrs. Anne Mbughuni*, Mr. William Mlaki*, Mr. Protase Tehingisa*, Mrs. Margaret Ikongo*

* Tanzania
** Dutch

www.nmbtz.com

Bakhresa Food Products Ltd

Uhai Drinking Water Project – Unit II

Profile of Investors

This new project is a proposal of 'Bakhresa Food Products Ltd' who are the owners of the well known 'Azam' and 'Uhai' brands. The primary products of the company are 'Uhai' drinking water, 'Azam' Juices, 'Azam' Ice Creams and 'Azam' Carbonated Soft Drinks. All products are market leaders in Tanzania.

The management of the company is spearheaded by Mr. Said Salim Awadh Bakhresa and his son Mr. Abubakar Said Salim.

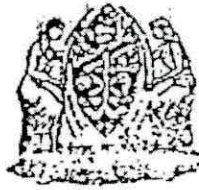
Mr. Said Salim Bakhresa is a stalwart amongst the industrialists of Tanzania. Born in the year 1948, he started his career in business more than 30 years ago. Despite humble beginnings and faced with multiple adversities, he never lost sight of his goal. By his sheer grit, determination and hard work, the Bakhresa Group of Companies gradually took shape and continues to grow today. Through his vision and acumen, Mr. Bakhresa started businesses which reached out to and suited the environment and people of Tanzania.

In a span of 30 years Mr. Bakhresa has established six highly successful companies in mainland Tanzania and Zanzibar with a combined investment in excess of US\$ 200.0 million and turnover exceeding US\$ 500.0 million per annum. These companies are engaged in diverse fields of business like wheat milling, bakery, packaging, mineral water, juice and ice-cream production and sea transport. He has also set up wheat milling operations in Uganda, Rwanda, Burundi, Mozambique and Malawi. Through these companies he has not only provided direct and indirect employment to a large number of Tanzanians, but has also made available to them, good quality cereal, drinking water and other essentials at affordable prices. Under his able guidance, the operations of each of the companies are managed by qualified professionals.

Mr. Abubakar Said Salim is the third son of Mr. Said Salim Bakhresa. Born in 1976 and a graduate in Business Administration and Finance from Georgetown University, U.S.A, he started his career in business at an early age.

He is actively involved in the activities of all the group companies and has infused a professional approach in their operations. Modern management techniques have been introduced at all levels to increase the overall efficiency of the companies. Besides this, he has been instrumental in expanding the market for the products in all the neighbouring countries. Through his initiative, the brand names 'Azam' and 'Uhai' have achieved higher levels of popularity and growth.

TANZANIA



Certificate of Incorporation

No. 33169

I HEREBY CERTIFY THAT

BAKURESA FOOD PRODUCTS

..... Limited
is this day incorporated under the Companies
Ordinance (Cap. 212) and that the Company
is Limited.

Given under my hand at Dar es Salaam

this 15th day of DECEMBER


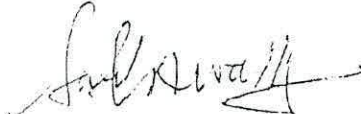
One thousand nine hundred and NINETY SEVEN

A handwritten signature in dark ink, appearing to be 'J. J. J.', enclosed within a circular stamp.

REGISTRAR OF COMPANIES

ALTERATION OR ADDITIONS

16. Subject to the provision of the Ordinance and to those contained in the Memorandum of Association of the Company may by Special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

Name, address and Description of Subscribers	Number of Shares taken	Signature
1. Said Salim Awadh P.O.Box.No.2517 Dar Es Salaam A company director	1000	
2. Fathiya Ahmed P.O.Box.No.2517 Dar Es Salaam A company director	1000	Fathiya Ahmed
3. Abubakar Said Salim P.O.Box.No.2517 Dar Es Salaam A company director	1000	

Dated at Dar Es Salaam this 28th day of 1997

WITNESS to the above Signature

Signature 

Postal Address MUDHARA MANDOO & CO.
ADVOCATES

Qualification P.O. Box 753
DAR ES SALAAM

BORROWING POWERS

11. The directors may raise or borrow for the purpose of the Company's business such sum or sums of money as they think fit and they may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company; present and future, including its uncalled or unissued capital or by the issue; at such price as they may think fit or bonds or debentures, either charged upon the whole or any part of the property and assets of the Company, or not charged, or in such other way as the Directors may think expedient

ALTERNATE DIRECTORS

12. Each Director may nominate a person, who shall be approved of in writing by the other Director, to act as Alternate in his place during his absence from Tanzania or inability to act as such Director. Such Alternate Director shall be subject in all other respects to the terms and conditions existing with reference to the Directors and discharge all duties and functions of the Director being unable to act during the absence or inability to act as the Director whom he represent he may subject to the like approval of the other Directors appoint a duly qualified person to act in his place.

SECRETARY

13. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board

WINDING UP

14. With the sanction of a special Resolution of the Shareholders any of the assets of the company including any shares in other companies may be divided between the Member of the Company in specie or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

INDEMNITY

15. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the company shall be indemnified out of the assets of the Company against any liability increased by him to defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application (under section 345 of the Ordinance) in which relief is granted to him by the court.

GENERAL MEETINGS

NOTICE OF GENERAL MEETINGS AND PROCEEDINGS AT GENERAL MEETINGS

- 5. Articles 39 to 53 Table 'A' shall apply subject to the following variations:
 - a) A General Meeting, ordinary or extra ordinary may with the consent in writing of all members, be convened on shorter notice than seven days or without notice.
 - b) Two members, present either personally or by proxy shall form a quorum.
 - c) Any ordinary resolution of the Company determined without any General
 - d) meeting and evidenced by writing under the hands of majority of the Directors and of the members of the Company holding three fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a General Meeting of the Company.

DIRECTORS

- 6. a) Until otherwise determined by the Company in General Meeting the Directors shall not be less than two and not more than seven in number.
- b) The following persons shall be the first Directors of the Company:
 - 1. Said Salim Awadh
 - 2. Abubakar Said Salim
 - 3. Fathiya Ahmed
- 7. The shareholding qualification for the Directors may be fixed by the company in general meeting and unless had until so fixed no qualification shall be required.
- 8. A resolution in writing signed by all the Directors then in Tanzania shall be as a valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- 9. The directors may from time to time borrow or raise any moneys for the purpose of the Company which may exceed the issued share capital of the Company.

c) Any invitation to the public to subscribe for any shares or debentures of the company is prohibited.

d) The company shall not have power to issue warrants to bearer.

TRANSFER OF SHARES

3. The directors may in their discretion and without assigning any reason thereof refuse to register the transfer of any shares to any person whom it shall in their opinion be undesirable for any reason whatsoever to admit to membership.

4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows:

a) No share shall be transferred to a person who is not a member so long as any member or any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.

b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of such shares to any member or members of the Company at a price to be agreed upon between the party giving such notice and the Board, or in case of difference to be determined by the Auditor of the Company.

c) Upon price of such shares being agreed on or determined as per clause (b) above, the Board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such shares inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such 21 day's notice the Board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as may be pro rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be sold to him, provided that no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice. Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to the singly shareholders who shall have agreed to purchase the same.

12000/-
252735A
4-12-97

The companies ordinance (CAP.212)

COMPANY LIMITED BY SHRES

ARTICLES OF ASSOCIATION

OF

BAKHRESA FOOD PRODUCTS LIMITED

600/-
252735A
4-12-97

PRELIMINARY

1. In these Regulations:-

"The Ordinance" means the Companies ordinance chapter 212 of the Laws of Tanzania.

When any provision of the Ordinance is referred to, the reference is that provision as modified by any law for the time being in force.

Unless the context otherwise requires, the expression defined in the Ordinance or any statutory modification thereof in force at the date at which these regulations become binding on the company shall have the meanings so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing persons shall include bodies corporate, partnerships, firms, cooperative societies etc.



The Regulation of Table 'A' in the First Schedule to the Companies Ordinance (hereinafter called Table 'A') shall apply to the Company save in so far as they are varied or excluded hereby, but in case of, any conflict between the provisions herein, and the provisions under Table 'A' the former shall prevail; and in addition to substitution former modification of the provisions of Table 'A' the following shall be the regulations of the company.

PRIVATE COMPANY

2. The company is a private company and accordingly:-

- a) The right to transfer shares is restricted in manner hereinafter prescribed.
- b) The number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were while in such employment and have continued after the determination of such employment to be members of the company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this regulation be treated as a single member.

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names:

Names, Addresses and Descriptions of Subscriber	Number of shares taken	Signature
1. Said Salim Awadh Company Director P.O.Box.2517 Dar Es salaam	1500	
2. Fathiya Ahmed Company Director P.O.Box.2517 Dar Es salaam	750	FATHIYA AHMED P
3. Abubakar Said Salim Company Director P O.Box 2517 Dar Es salaam	750	

Dated at Dar Es salaam this 28 day of Nov 1997

Witness the above signatures

Signature 

Postal address MUEBENI & CO.

QUALIFIERS
P.O. Box 783
DAR ES SALAAM

v) To pay the expenses of and preliminary and incidental to the promotion, establishment and registration of the company or of any other company promoted, formed, established or registered by the company and all brokerage, discount and other expenses lawfully payable which may at any time and from time to time be deemed expedient for taking, placing or underwriting all or any of the shares or debentures, or other obligations of the company or of any company so promoted, formed, established or registered by the company.

✓ w) To obtain all powers and authorities necessary to carry out or extend any of the above objects.

The objects set forth in any sub-clause of this clause shall not except when the context expressly so required, be in anywise limited or restricted by reference or inference from time the terms of any sub-clause or by the name of the company. None of such sub-clause or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause, but the company shall have full power to exercise all or any of the world and notwithstanding that the business undertaking, property or acts proposed to be transacted, acquired, dealt with or performed to not fall within the objects of the first sub-clause of this clause.

AND it is hereby declared that the word "COMPANY" in this clause shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated, and whether domiciled in East Africa or elsewhere and the intention is that the objects specified in each paragraph of this clause shall except where otherwise expressed in such paragraph be independent main objects and shall in no wise be limited or restricted by a reference to or inference from the terms of any other paragraph or the name of the company.

- 4. The liability of the members of the company is limited.
- 5. The initial capital of the company is 300,000,000/-divided into 3,000 shares of 100,000/-each and the company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

- l) To promote another company for the purpose of acquiring all or any of the property and liabilities of this company or for any other purpose, which may seem directly or indirectly calculated to benefit this company.
- m) To sell or dispose of the undertaking and property of the company or any part thereof, for such consideration as the company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of this company.
- n) To construct, erect, maintain and alter any buildings, machinery, plant, works necessary or convenient for the purpose of the company.
- o) Generally to purchase, take on lease or in exchange hire or otherwise acquire any real and personal property and any rights or privileges which the company may think necessary or conveniently for the purpose of its business and in particular any land, buildings, easements, machinery, plant and stock in trade.
- p) To invest and deal with moneys of the company not immediately required, upon such securities and in such manner as the company may from time to time determine.
- q) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of the shares in the company's capital or any debentures or other securities of the company or the conduct of its business.
- r) To distribute any part of the property of the company in specie among the members.
- s) To lend and advance money and give credit to such persons or companies as may seem expedient and in particular to members of the company and customers and others having dealing with the company and to guarantee the performance of contracts by such person.
- t) To draw, make, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- u) To do all or any of the above things in any part of the world as principals, agents, contractors, trustees or otherwise alone or in conjunction with others.

- d) To carry on any other business which may seem to the company capable of being conveniently carried on in connection with any of the businesses of the company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- e) To acquire and undertake the whole or any part of the business property, and liabilities of any person, firm or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purpose of this company.
- f) To carry on the business of manufacture, buyers, and sellers of all or any goods aforesaid by wholesale or retail, and to acquire by purchase or otherwise an exclusive or other interest in property of any tenure for the purpose of carrying on the said business.
- g) To carry on business in Tanzania and elsewhere the buying, selling, letting on hire, hire purchase, or easy payment systems and manufacturing and contractors of and dealers in ancillary and other connected polymer products.
- h) To establish depots and agencies in different parts of the world for the purpose of carrying on any or all of the business of the company.
- i) To enter into any arrangement and contracts with Government or Authorities supreme, municipal, local or otherwise or any corporations, companies or persons having objects that may seem conducive to the Company's object or any of the them and to obtain from any such Government Authority, Corporation, Company, or persons, any characters, contracts, decrees, rights, privileges and concessions.
- j) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debenture stock, certificates or other securities, perpetual or otherwise charges upon all or any other company rights and property (present and future) including any uncalled capital or without any such security and to purchase, redeem or pay off any such security or loan
- k) To amalgamate with or enter into partnership or into any arrangement for sharing profits, union of interest cooperation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engage in or about to carry or engage in any business or transaction which this company is authorized to carry on or engage in any business or transaction capable of being conducted so directly or indirectly to benefit this company and to take or otherwise acquire shares and securities of any such company, and sell, hold, reissue with or without guarantee, or otherwise deal with the same.

1200/1-05273545
4-12-97

600/1-05273545 4-12-97

THE COMPANIES ORDINANCE (CAP 212)
COMPANY LIMITED BY SHARES
MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
BAKHRESA FOOD PRODUCTS LIMITED

1. The name of the Company is "BAKHRESA FOOD PRODUCTS LIMITED".
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:
 - a) To manufacture, buy, sell, prepare, distribute, import, export, and deal in all kinds of food products such as fresh and artificial juice, milk products, ice creams, or any other kind of food products, polymer packing material and also any other kind of packing material used in the process of manufacturing, in both wholesale and retail.
 - b) To carry on the business of hotels, restaurants, cafés, road houses, motels, holiday camps, caravan sites and apartment house keepers.
 - c) To carry on the business of refreshments and tea rooms, café, milk kiosks, importers and manufacturers of aerated minerals and artificial waters and other drinks and as caterers and contractors in all their respective fields.

3

7

4

THE COMPANIES ORDINANCE (CAP 212)

COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF
ASSOCIATION OF

BAKHRESA FOOD PRODUCTS LIMITED

DRAWN BY:
SAID SALIM AWADH (S. SALIM AWADH)
P. O. BOX 2517
DAR ES SALAAM.

INCORPORATED

DAY OF

1997



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

(iv) Receivable from related parties

	2010 TShs'000	2009 TShs'000
<i>Receivable from related parties</i>		
<i>Said Salim Bakhresa & Co. Ltd.</i>	25,276	NIL

(v) Directors' remuneration

<i>The remuneration to directors were as follows:</i>	2010 Tshs' 000	2009 Tshs' 000
<i>Directors' remuneration:</i>		
<i>Executive</i>	13,500	13,500
<i>Non-executive</i>	2,250	2,250
<i>Sitting allowance</i>	000	000

TANZANIA REVENUE AUTHORITY
 Dar es Salaam
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BAKHRESA FOOD PRODUCTS LIMITED
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25 RELATED PARTY TRANSACTIONS & BALANCES

(i) Sale of goods and services

	2010	2009
	Tshs '000	Tshs '000
Azam Bakeries Company Ltd.	336,775	287,514
Said Salim Bakhresa & Co. Ltd.	46,440	NIL

(ii) Purchase of goods and services

	2010	2009
	TShs'000	TShs'000
Purchase of goods		
Omar Packaging Industries Ltd	3,580,617	2,583,247
Said Salim Bakhresa & Co. Ltd.	617,424	395,454
Azam Bakeries Company Limited	558,200	454,000

(iii) Payable to related parties

	2010	2009
	TShs'000	TShs'000
Payable to related parties		
Azam Bakeries Company Limited	NIL	NIL
Azam Marine Company Limited	4,927,423	4,469,153
Bakhresa Grain Milling (U) Ltd.	2,133,395	1,956,284
Omar Packaging Industries Limited	472,733	323,713
Said Salim Bakhresa & Co. Limited	2,792,040	703,609





**BAKHRESA FOOD PRODUCTS LIMITED
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2. *Personal Guarantee of the directors of the company, viz; Mr. Said Salim Awadh Bakhresha, Mr. Abubakar Said Salim Bakhresha and Mrs. Fathiya Ahmed.*
3. *Corporate Guarantee of Reliable Developers Limited.*

(iv) Commerzbank Aktiengesellschaft

The total term loan sanctioned by Commerzbank Aktiengesellschaft amounts to EUR 4,583,863.

Total Loan of EUR 4,583,863 is made up as follows.

Portion A of up to EUR 4,283,863 for the exclusive financing of up to 83.5% of the Contract Value.

Portion B of up to EUR 340,000 for the exclusive financing of 100% of the ECA-Costs.

Any loan bears during each Interest Period at a rate being the aggregate of the Margin and EURIBOR. Margin is 2.40% p.a.

The Loan is secured and supported by Guarantee from SSB & Co. Ltd.

(b) The maturity of the non-current borrowings is as follows:-

	2010	2009
	Tshs. '000	Tshs. '000
Between 1 and 2 years	3,738,031	10,941,814
Between 2 and 5 years	22,405,685	6,467,326

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the directors expect would be available to the company at the balance sheet date.

23 CAPITAL COMMITMENT

The Group had no capital commitments and contracts.

24 CONTINGENT LIABILITIES

The Company has no contingent Liability as on 31.12.2010.



**BAKHRESA FOOD PRODUCTS LIMITED
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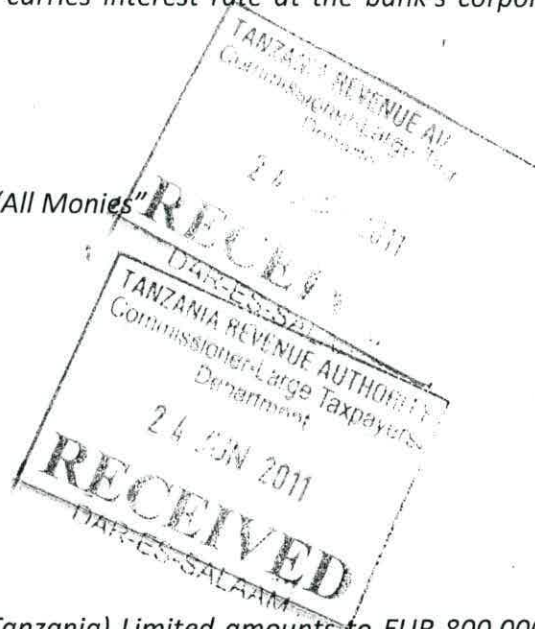
k) Confirmation of guarantees by the respective guarantors to the facilities to be effected annually on the renewal of the facilities, as provided for vide circular letter dated 17th June, 2002. The Originals to be forwarded to the Head of Credit and Copies to be retained at Branch.

(ii) Standard Chartered Bank Tanzania Limited loan

The total working capital loan sanctioned by Standard Chartered Bank (T) Ltd amounts to TZS 1.7 billion. The loan, which is denominated in US dollars, carries an interest rate calculated at six months US dollar LIBOR plus 275-basis points payable on monthly basis. Overdraft in TZS is repayable on demand & carries interest rate at the bank's corporate prime rate for TZS less 2%.

The loan is secured by the following:-

1. Guarantee by Mr.Said Salim Bakhresa for "All Monies"
2. Inter-Company Guarantees from:
 - Azam Marine Company Ltd.
 - Zanzibar Milling Corporation Ltd.
 - Azam Bakeries Co. Ltd.
 - Said Salim Bakhresa & Co. Ltd.
 - Omar Packaging Industries Ltd.



(iii) Bank M (Tanzania) Limited.

The total term loan sanctioned by Bank M (Tanzania) Limited amounts to EUR 800,000 in USD equivalent. The loan, which is denominated in US dollars, carries an interest rate calculated at end of each calendar month at Money Prime Rate (Which is bank's base rate) minus 4.5% currently effective 6.5% p.a. The USD Money Prime Rate of the Bank currently 11%p.a. and is subject to change depending on market conditions.

The loan is secured by the following:-

1. Extension of charge of Mortgage over property on plot no 2 & 3, Block 59, Kariakoo Area, Dar es Salaam City with Certificate of the Title No 78554. The property is registered in the name of Reliable Property Developers Limited.



BAKHRESA FOOD PRODUCTS LIMITED
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The loan is secured by the following:-

- a) Chattel mortgage over the 3 Blow Moulding Machines – Purchase price Tsh. 1,192,821,803 registered to cover full value.*
- b) Debenture over fixed and floating assets of the company to cover total facilities by 130%.*
- c) Chattel mortgage over the Ice cream processing plant registered at full purchase of TZS 1,625,000,000.*
- d) Chattel mortgage over the recycling machinery purchased to be registered at full purchase price of EURO 2.2 Million.*
- e) Legal mortgage over Plot No. 4A i.n.o Bakhresa Food Products Ltd., located at Vingunguti area, DSM to be registered to cover full market price.*
- f) Shareholders guarantee to cover all the facilities by at least 130%, supported by subordination of shareholders loans.*
- g) Cross company guarantee supported by subordination of the inter-company loan from S.S. Bakhresa & Co. Ltd., Azam Bakeries Co. Ltd. And Omar Packaging Industries Ltd.*
- h) Company guarantee supported by inter-company loans from SSB & Co. Ltd.*
- i) Negative pledge.*
- j) Cross default clause at group level.*



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE ACCOUNTS FOR YEAR ENDED ON 31ST DECEMBER 2010

22 BORROWINGS

	2010	2009
	T Shs'000	T Shs'000
Bank and other borrowings (a)	32,332,936	24,237,143
Less: Current portion (b)	(6,189,220)	(6,828,003)
Due after more than 12 months	26,143,716	17,409,140

(a) This is made up as follows:

	2010	2009
	T Shs'000	T Shs'000
National Bank of Commerce Limited (i)	7,927,178	9,952,790
Standard Chartered Bank Tanzania Ltd (ii)	2,000,073	1,858,269
Bank M Tanzania Limited (iii)	768,698	NIL
Commerzbank AG (iv)	8,877,263	NIL
Other borrowings	12,759,722	12,426,084
	32,332,936	24,237,143

(i) National Bank of Commerce Limited Loan

The total term loan sanctioned by National Bank of Commerce Ltd amounts to TZS 5.7 billion, As on 31st December the Company has availed a term loan of TZS 5.69 billion and Usd 1.5 million. Further it has overdraft facility of USD 0.75 million & TZS 4 billion and L/C facility of USD 1.5 million.

The overdraft facility of TZS 4 billion shall bear a rate of interest of TZS base of 9% p.a. charged every month on the outstanding amount. The overdraft facility of US\$ 750,000/- shall bear the rate of interest of USD base rate of 5.5% p.a. charged every month on the outstanding amount. The New Term loan shall bear an interest rate USD base rate 5.5%.



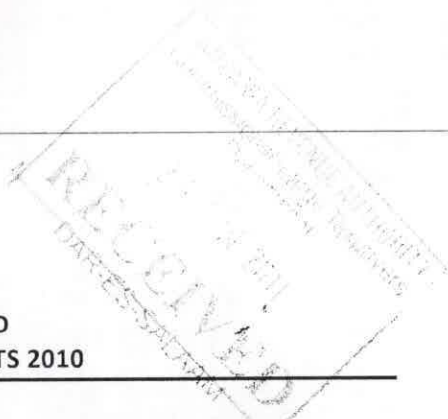
BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECMEBER 2010

	2010	2009
	Tshs.	Tshs.
18 Trade & Other payables		
Sundry Creditors	13,696,256,913	7,478,091,690
Short Term Advance	1,750,000,000	-
Advance from customers	735,751,046	757,277,249
	16,182,007,959	8,235,368,940
 19 Bank overdraft		
National Bank of Commerce - Tsh A/c	3,231,887,516	3,986,920,093
National Bank of Commerce - Usd A/c	957,259,044	982,814,341
Standard Chartered Bank - Tsh A/c	1,484,204,927	1,327,590,996
Standard Chartered Bank - Usd A/c	515,868,526	530,677,708
	6,189,220,014	6,828,003,138
 20 Due to associate companies		
Omar Packaging Industries Ltd	472,733,000	323,713,400
Said Salim Bakhresa & Co. Ltd	2,792,039,853	703,609,747
	3,264,772,853	1,027,323,147
 21 Provisions & Accruals		
Liability for Expenses	51,465,904	43,747,712
Liability for Taxes	31,062,010	33,482,088
Vat Payable	-	249,992,601
Audit Fees Payable	7,485,731	5,253,160
	90,013,645	332,475,561



BAKHRESA FOOD PRODUCTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECMEBER 2010

17 Long Term Loan

Secured

National Bank of Commerce Term Loan	3,738,031,585	4,983,055,680
Bank M Tanzania Ltd. - Loan A/c	768,698,815	
Commerzbank AG Loan A/c	8,877,263,589	-

Unsecured

Azam Marine Co. Ltd. Loan A/c	4,927,422,839	4,469,152,839
Said Salim Awadh Bakhresa Loan A/c	2,800,000,000	2,832,400,000
Rainbow International FZCO	2,918,904,548	2,684,876,495
Bakhressa Grain Milling (U) Ltd	2,113,394,828	1,956,284,177
Zanzibar Milling Corporation Loan A/c	-	1,000,000,000
Fair Value adjustment on Long Term Borrowings	-	(516,629,887)
	<u>26,143,716,204</u>	<u>17,409,139,305</u>



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECMEBER 2010

	2010	2009
	Tshs.	Tshs.
14 Deposit & Advances		
Staff Advance & Loans	5,110,723	6,537,498
Input Vat C/F & unclaimed A/c [2010]	190,012,958	15,705,552
Import duty	150,301,146	11,513,071
Other Custom Charges	53,942,606	917,698
Prepaid Expenses	7,210,000	18,021,358
Prepaid Insurance	-	2,282,359
Prepaid Rent	46,681,399	24,334,161
Withholding Tax Receipts	204,047	204,046
Deposits	323,460,405	324,245,585
	<u>776,923,286</u>	<u>403,761,328</u>
15 Cash & Cash equivalent		
Cash	30,010,181	34,489,304
Diamond Trust Bank Ltd.	925,487	925,487
Kenya Commercial Bank Ltd.	111,204,162	-
Bank - M	3,567,569	-
	<u>145,707,398</u>	<u>35,414,791</u>
16 Share Capital		
Authorize Share capital of 3,000 ordinary shares of Tshs. 100,000 each.	<u>300,000,000</u>	<u>300,000,000</u>
Paid up share capital of 3,000 shares of Tshs.100,000 each.	300,000,000	300,000,000



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECMEBER 2010

	2010	2009
	Tshs.	Tshs.
11 Investment		
Tacona Holdings Limited - Shares	274,414,162	274,414,162
	<u>274,414,162</u>	<u>274,414,162</u>
12 Inventory		
Raw Material	4,570,468,571	3,158,343,501
Work in progress	566,243,617	276,602,030
Finished goods	697,898,887	234,654,419
	<u>5,834,611,075</u>	<u>3,669,599,950</u>
13 Trade & Other receivables		
Debtors	98,590,430	48,957,051
Advance to suppliers	8,109,868,353	2,002,600,441
	<u>8,208,458,783</u>	<u>2,051,557,492</u>



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

10 Deferred tax

Deferred tax is calculated on all temporary differences under the liability method using an Effective tax rate of 30% (year 2008 30%).

	AS AT 01-01-2010	Charge to P & L	EQ	AS AT 31-12-2010
Deferred tax liability				
Property plant & equipment				
- accelerated capital allowance	4,325,663,846	1,515,402,994	-	5,841,066,840
- revaluation	-	-	-	-
	4,325,663,846	1,515,402,994	-	5,841,066,840
Deferred tax asset				
Carry forward loss	1,754,234,947	(879,330,418)	-	874,904,529
other timing difference	-	-	-	-
	1,754,234,947	(879,330,418)	-	874,904,529



**BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	Tshs.	Tshs.
Tax expense		
Tax provision for current year (Alternate minimum tax)	164,756,047	106,419,916
Tax provision for previous year	-	-
Defered tax expense relating to the origination and reversal of temporary differences	2,394,733,412	(92,691,885)
	<u>2,559,489,459</u>	<u>13,728,031</u>
Working showing tax for current year		
Accounting Profit	7,983,927,324	5,050,347,737
Tax at applicable tax rate of 30% p.a.	2,395,178,197	1,515,104,321
Tax effect of expenses that are not deductible in determining taxable profits:-		
Telephone expenses	2,140,610	1,197,384
Motor vehicle expenses	4,570,693	3,445,048
Travelling expenses	3,696,606	2,381,619
Penalties and fine	-	-
Donation	-	750,000
Defered tax adjustments	(10,852,694)	(1,615,570,258)
Alternate Minimum Tax	164,756,047	106,419,916
	<u>2,559,489,459</u>	<u>13,728,031</u>



**BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010**

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8	FIXED ASSETS COST	Motor Vehicles Class I	Motor Vehicles Class II	Capital Work in Progress	Total
	COST				
	At 1st January 2009	1,636,918,427	321,276,512	6,229,770,554	40,414,481,600
	Addition	931,244,123	-	15,051,985,038	30,878,563,046
	Disposal	-	-	(12,328,998,130)	(12,328,998,130)
	Revaluation increase / (decrease)				-
	At 1st January 2010	2,568,162,550	321,276,512	8,952,757,462.46	58,964,046,516
	Addition	276,034,802	190,503,837	15,906,009,974	30,825,568,882
	Disposal	-	-	(8,952,757,462)	(8,952,757,462)
	Revaluation increase / (decrease)				-
	At 31st December 2009	2,844,197,352	511,780,349	15,906,009,974	80,836,857,936
	Comprising:				
	At Cost	2,844,197,352	511,780,349	15,906,009,974	80,836,857,936
	At Valuation 2010	-	-	-	-
	ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	At 1st January 2009	742,978,323	272,869,170	-	10,166,286,669
	Depreciation for the period	350,139,830	18,152,753	-	3,817,204,691
	At 1st January 2010	1,093,118,152	291,021,923	-	13,983,491,361
	Depreciation for the period	380,667,589.32	64,848,872.42	-	5,451,973,281.09
	At 31st December 2010	1,473,785,742	355,870,796	-	19,435,464,642
	CARRYING AMOUNT				
	AT 31ST DECEMBER 2010	1,370,411,611	155,909,553	15,906,009,974	61,401,393,295
	AT 31ST DECEMBER 2009	1,475,044,398	30,254,589	8,952,757,462	44,980,555,156



BAKHRESA FOOD PRODUCTS LIMITED
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8	FIXED ASSETS COST	Land & Factory Buildings	Plant & Machinery	Furniture, Fixtures	Electrical Equipment
	COST				
	At 1st January 2009	2,331,506,035	29,431,985,285	221,389,602	241,635,185
	Addition	579,037,215	14,258,605,822	19,098,759	38,592,090
	Disposal /Revaluation	-	-	-	-
	At 1st January 2010	2,910,543,250	43,690,591,106	240,488,361	280,227,275
	Addition	3,532,400,202	10,705,505,585	34,733,892	180,380,591
	Disposal /Revaluation	-	-	-	-
	At 31st December 2009	6,442,943,452	54,396,096,691	275,222,253	460,607,866
	Comprising:				
	At Cost	6,442,943,452	54,396,096,691	275,222,253	460,607,866
	At Valuation 2010	-	-	-	-
	ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	At 1st January 2009	251,811,925	8,733,288,952	78,116,171	87,222,128
	Depreciation for the period	91,656,966	3,317,531,159	18,841,875	20,882,108
	At 1st January 2010	343,468,892	12,050,820,111	96,958,046	108,104,236
	Depreciation for the period	173,488,255	4,781,054,984	20,861,612	31,051,969
	At 31st December 2010	516,957,147	16,831,875,095	117,819,658	139,156,205
	CARRYING AMOUNT				
	AT 31ST DECEMBER 2010	5,925,986,305	37,564,221,596	157,402,595	321,451,661
	AT 31ST DECEMBER 2009	2,567,074,358	31,639,770,995	143,530,315	172,123,039



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	Tshs.	Tshs.
6 Selling & Distribution cost		
Salaries for Selling & Dist.	253,742,352	150,516,598
NSSF Contribution for selling & Dist. Employees	20,534,753	15,051,660
SDL on Salaries for Selling & Dist.	15,878,246	9,030,996
Selling & Distribution Expenses	155,722,004	113,489,649
R&M - Shops	-	3,593,200
Motor Vehicle Running Expenses	609,425,721	459,339,769
Electricity Charges - Shops	21,057,866	4,661,126
Advertisement	10,871,240	245,101,600
	<u>1,087,232,180</u>	<u>1,000,784,598</u>
7 Finance cost		
Bank Charges	103,771,769	68,485,653
Foreign Exchange Gain/(Loss)	2,098,669,556	96,020,480
Interest on Loan from Others	64,500,000	98,250,000
Interest on Overdraft	500,319,663	665,586,323
Interest on Term loan	324,226,303	554,794,687
	<u>3,091,487,290</u>	<u>1,483,137,144</u>



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	Tshs.	Tshs.
5 Administrative expenses		
Audit fees	9,087,842	5,253,160
Canteen Expenses	81,614,837	104,102,000
City Service Levy	75,073,755	53,107,523
Directors Fees	15,750,000	15,750,000
Donation	-	2,500,000
Insurance	130,034,357	142,217,439
Laboratory Expenses	876,800	7,032,324
Other employees benefits	10,985,259	9,411,223
License & Fees	26,182,511	56,901,216
Membership & Subscriptions	-	280,000
Postage and Courier Charges	6,599,744	11,565,859
Printing & Stationery	28,172,184	22,570,244
Rent, Rates & Taxes	308,731,524	136,679,328
R & M Electrical Equipment	4,818,423	2,948,989
R&M Office equipment	13,472,969	500,000
R&M - Others	7,454,144	5,906,272
Security Charges	3,467,981	4,951,608
Salaries for Office & Admin.	761,227,055	453,317,144
NSSF contribution Office & Admin. Employees	61,604,258	3,996,624
Skills & Development levy	47,634,737	30,681,921
Sewerage Charges	10,584,319	9,394,073
Staff Welfare Expenses	45,404,292	32,844,512
Telephone charges	35,676,830	19,956,406
Travelling Expenses	123,220,203	79,387,313
Vehicle Maintenance	152,356,430	114,834,942
Work Permit Fee	54,679,153	24,363,780
	2,014,709,605	1,350,453,899



**BAKHRESA FOOD PRODUCTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	Tshs.	Tshs.
4 Cost of sales		
R.M. Stock & W.I.P. (Opening)	3,434,945,531	2,914,967,891
Add: Purchases & Related cost	30,817,337,592	18,295,374,861
	<hr/>	<hr/>
	34,252,283,123	21,210,342,752
Less: R.M. Stock , Consumables & W.I.P. (Closing)	5,136,712,188	3,434,945,531
	<hr/>	<hr/>
Consumed for Production	29,115,570,935	17,775,397,221
<u>Manufacturing Expenses</u>		
Electricity Charges	3,441,778,824	2,295,564,599
Material Handling Charges	24,864,396	8,983,557
R&M Plant & Machinery	1,072,757,427	658,185,975
Wages and Related expenses	1,522,454,109	1,454,701,321
NSSF Contribution for factory employees	123,208,515	145,470,132
SDL on Factory Wages & Salaries	95,269,474	87,282,079
Refuse Tax	86,071,332	27,028,937
Factory Rent	177,018,660	126,772,515
R & M Buildings	93,603,426	57,441,768
Dep. On Factory Building	173,488,255	91,656,966
Dep. On Plant & Machinery	4,781,054,984	3,317,531,159
	<hr/>	<hr/>
Total cost of production	40,707,140,337	26,046,016,230
Add: - Opening stock of FG	234,654,419	369,203,705
Less: - Closing stock of FG	697,898,887	234,654,419
	<hr/>	<hr/>
Total cost of sales	40,243,895,869	26,180,565,516



BAKHRESA FOOD PRODUCTS LIMITED
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Interest rates and liquidity risk

Fluctuation in interest rates has impact on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. The company has availed long term and short term funding from the banks. The interest rates are dependent upon the market conditions and are subject to change. The said change can affect the profitability of the company.



BAKHRESA FOOD PRODUCTS LIMITED
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L. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

M. PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.2 FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programmes seek to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via strictly credit terms.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, it is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The company is exposed to foreign currency risk, as its raw material and packing material is imported from outside and is subject to currency fluctuations.



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BORROWINGS

are recognised initially at fair value, net of transaction costs incurred. are subsequently stated at amortised cost and any difference between proceeds (less transaction costs) and the redemption value is recognised in the income statement over the term of the borrowings using the effective interest method.

Interest costs are expensed in the period they accrue unless they can be related, with reasonable certainty, to the acquisition or construction of fixed assets in which case they are capitalised as part of the cost of those assets. During the year 2010, the amount of interest capitalized is TZS 19.26 million (Previous Year TZS NIL), being interest on term loan against Machinery under work order No. 10/2009 on 31st December 2010.

Liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

INCOME TAX

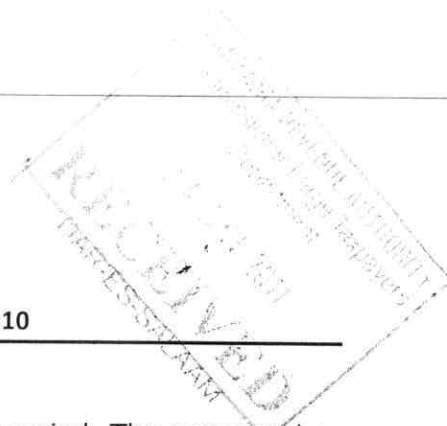
Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply to the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the period in which it arises.



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F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments received under operating leases are shown under the head 'Other Income'.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.



BAKHRESA FOOD PRODUCTS LIMITED
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Depreciation is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

	Rate (%)
Factory Buildings & Godown	4.0
Furniture ,Fixture & office equipments	12.50
Machinery, equipment, furniture and fittings	12.50
Motor Vehicles Class I	37.50
Motor Vehicles Class II	25.00
Electrical Equipments	12.50

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



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B. REVENUE RECOGNITION

Revenue is recognised when the goods are sold and is represented net of VAT.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

D. PROPERTY, PLANT AND EQUIPMENT

Land and buildings comprise mainly the factory building, godown and offices. All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, 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 reliably measured.

The company has adopted cost model for the valuation of assets as provided in IAS 16, Property, Plant and Equipment.



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IFRIC 16:- 'Hedges of a net investment in a foreign operation' (effective from 1st July 2009);
IAS 1 (Amendment), 'Presentation of Financial Statements'
IAS 36 (Amendment), 'Impairment of assets', effective from 1st January 2010;
IFRS 2 (Amendment), 'Group cash Settled share based payment transactions';
IFRS 5 (Amendment), 'Non current assets held for sale or discontinued operations'
The application of these interpretations has not had a significant effect on the 2010 results, nor has it required any restatement of prior period results.

Following interpretations and amendments to the accounting standards have been introduced in the current year and applicable to the Corporation, but shall be adopted by the corporation in future years. The management of the corporation has not opted to go for early adoption of these standards.

IFRS 9:- Financial Instruments (effective from 1st January 2013);
IAS 24 (Revised):- Related Party Disclosures (effective from 1st January 2011);
IFRIC 19;- Extinguishing Financial liabilities with equity instruments (effective from 1st July 2010)

3. SUMMARY OF ACCOUNTING POLICIES

3.1 The principal accounting policies adopted in the preparation of these financial statements are set out below.

A. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Tanzania Shillings (TZS). The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2



BAKHRESA FOOD PRODUCTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2010

1 GENERAL INFORMATION

Bakhresa Food Products Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The principal activities of the company are disclosed in the Directors Report. The address of its registered office is:

Plot No. 1, Block No. 15
Livingstone/ Aggrey Street,
P O Box 2517,
Dar es Salaam.

And its principal places of business are given below:-

Buguruni Water Plant,
Nelson Mandela Road,
P.O.Box-2517, Dar es Salaam

Kipawa Water Plant, Nyerere Road
P O Box 2517
Dar es Salaam.

Vingunguti Ice Cream Plant,
Nyerere Road, P.O.Box-2517,
Dar es Salaam.

2 ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

During the current year the corporation has applied following amendments and interpretations to the International Financial Reporting Standards and International Accounting standards.

IFRS 3 (Revised)- 'Business Combinations' and consequential amendments to IAS 27, 'Consolidated and separate Financial Statement', IAS 28, 'Investment Associates', and IAS 31, 'Interest in joint ventures' (effective from 1st July 2009);

IFRIC 17:-'Distribution of non cash assets to owners' (effective from 1st July 2009);

IFRIC 18:-Transfer of Assets from customers (effective from transfer on or after 1st July 2009);

IFRIC 9:-'Reassessment of embedded derivatives and IAS 39, 'Financial instruments: Recognition and Measurement' (effective from 1st July 2009);



**BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010**

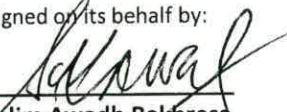
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST DECEMBER 2010


	31.12.2010	31.12.2009
	Tshs.	Tshs.
OPERATING ACTIVITY		
Profit for the year	4,907,807,978	5,031,161,075
Less: - adjustments		
Depreciation	5,451,973,281	3,817,204,691
Prior Period Adjustment A/c	(172,092,983)	(8,200,748)
Income Tax Expenses	2,559,489,459	13,728,031
Operating profit before working capital changes	12,747,177,735	8,853,893,049
(Increase) / Decrease in Inventory	(2,165,011,125)	(385,428,354)
(Increase) / Decrease in Trade & Other receivables	(6,156,901,291)	2,952,620,397
(Increase) / Decrease in Due from associates	-	376,462,659
(Increase) / Decrease in Deposits & Advances	(373,161,958)	(116,383,486)
Increase / (Decrease) in Trade & Other payables	7,946,639,019	(78,185,484)
Increase / (Decrease) in Bank overdraft	(638,783,125)	(50,064,910)
Increase / (Decrease) in Provisions & Accruals	(242,461,916)	103,482,936
Increase / (Decrease) in Dues to Associated Company	2,237,449,706	(3,181,406,390)
Cash generated from operations	13,354,947,045	8,474,990,417
Less: -		
Corporate Tax Paid	106,419,916	70,044,756
NET CASH FROM OPERATING ACTIVITY	13,248,527,129	8,404,945,661
INVESTING ACTIVITY		
Purchase of assets	(21,872,811,420)	(18,549,564,916)
NET CASH FROM INVESTING ACTIVITY	(21,872,811,420)	(18,549,564,916)
FINANCING ACTIVITY		
Increase in long term loan	8,734,576,899	10,044,310,719
NET CASH FROM FINANCING ACTIVITY	8,734,576,899	10,044,310,719
NET INCREASE OR DECREASE IN CASH EQUIVALENT	110,292,608	(100,308,536)
Cash and cash equivalent at the beginning of the year	35,414,791	135,723,328
Cash and cash equivalent at the end of the year	145,707,399	35,414,791

The notes on page 17 to 41 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors

and signed on its behalf by:


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 21 JUN 2011


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 21 JUN 2011



BAKHRESA FOOD PRODUCTS LIMITED
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STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST DECEMBER 2010.

	SHARE CAPITAL	RETAINED EARNINGS	Total
	Tshs.	Tshs.	Tshs.
Balance as at 1st January 2009	300,000,000	9,582,183,645	9,882,183,645
Profit for the year	-	5,031,161,075	5,031,161,075
Prior year adjustments	-	(8,200,748)	(8,200,748)
Balance as at 1st January 2010	300,000,000	14,605,143,972	14,905,143,972
Effect of change in accounting policy	-	-	-
Deferred Tax Liability	-	-	-
As restated as on 1st January 2010	300,000,000	14,605,143,972	14,905,143,972
Profit for the year	-	4,907,807,978	4,907,807,978
Prior year adjustments	-	(172,092,983)	(172,092,983)
Balance as at 31st December 2010	300,000,000	19,340,858,967	19,640,858,967

The notes on page 17 to 41 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors
and signed on its behalf by:


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Managing Director
Dar Es Salaam
Dated: 21 JUN 2011


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 21 JUN 2011



BAKHRESA FOOD PRODUCTS LIMITED
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BALANCE SHEET AS ON 31ST DECEMBER 2010

ASSETS	Notes	2010 Tshs.	2009 Tshs.
<i>NON-CURRENT ASSETS</i>			
Property, Plant & Equipments	8	61,401,393,295	44,980,555,156
Deferred tax asset	10	874,904,529	1,754,234,947
Investment in Shares	11	<u>274,414,162</u>	<u>274,414,162</u>
		62,550,711,986	47,009,204,265
<i>CURRENT ASSETS</i>			
Inventory	12	5,834,611,075	3,669,599,950
Trade & other receivables	13	8,208,458,783	2,051,557,492
Deposits & Advances	14	776,923,286	403,761,328
Cash & Cash equivalent	15	<u>145,707,399</u>	<u>35,414,791</u>
		14,965,700,542	6,160,333,560
TOTAL ASSETS		<u>77,516,412,529</u>	<u>53,169,537,826</u>
<i>CAPITAL & LIABILITIES</i>			
<i>CAPITAL & RESERVES</i>			
Share capital	16	300,000,000	300,000,000
Retained earnings		<u>19,340,858,967</u>	<u>14,605,143,972</u>
		19,640,858,967	14,905,143,972
<i>NON-CURRENT LIABILITY</i>			
Long term loan	17	26,143,716,204	17,409,139,305
Deferred tax liability	10	<u>5,841,066,840</u>	<u>4,325,663,846</u>
		31,984,783,044	21,734,803,152
<i>CURRENT LIABILITIES</i>			
Trade & other payables	18	16,182,007,959	8,235,368,940
Bank overdraft	19	6,189,220,014	6,828,003,139
Current Tax		164,756,047	106,419,916
Dues to associate companies	21	3,264,772,853	1,027,323,147
Provisions & accruals	22	<u>90,013,645</u>	<u>332,475,561</u>
		25,890,770,517	16,529,590,702
TOTAL LIABILITY		<u>77,516,412,529</u>	<u>53,169,537,826</u>

The notes on page 17 to 41 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and signed on its behalf by:


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Managing Director
Dar Es Salaam
Dated: 21 JUN 2011


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 21 JUN 2011



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

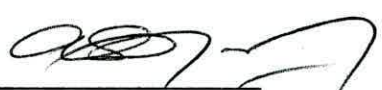
INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2010

		2010	2009
		Tshs.	Tshs.
	Notes		
Revenue		54,918,682,311	35,473,305,460
Cost of sales	4	40,243,895,869	26,180,565,516
Gross profit		14,674,786,442	9,292,739,944
Less Expenses:-			
Administrative expenses	5	2,014,709,605	1,350,453,899
Selling & Distribution expenses	6	1,087,232,180	1,000,784,598
Finance cost	7	3,091,487,290	1,483,137,144
		6,193,429,076	3,834,375,641
Profit before depreciation		8,481,357,366	5,458,364,303
Depreciation	8	497,430,042	408,016,566
Profit before tax		7,983,927,324	5,050,347,737
Exchange difference of Fair Value		-	(20,348,161)
Interest adjustment on Fair Value of		-	-
Unsecured liabilities		<u>516,629,887</u>	<u>25,806,792</u>
		7,467,297,437	5,044,889,106
Less: - Tax expense	9	2,559,489,459	13,728,031
Net profit / (Loss) for the period		<u>4,907,807,978</u>	<u>5,031,161,075</u>

The notes on page 17 to 41 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and signed on its behalf by:


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 21 JUN 2011


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 21 JUN 2011

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,


K.S. Bhattbhatt
Partner



Place : Dar Es Salaam
Dated : 22 JUN 2011



BAKER TILLY
DGP & CO
Certified Public Accountant

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAKHRESA FOOD PRODUCTS LIMITED.

We have audited the accompanying financial statements of M/s BAKHRESA FOOD PRODUCTS LIMITED, set out herewith, which comprises of Balance sheet as at December 31st,2010, income statement, statement of change in equity and cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the financial position of the Company as at December 31st, 2010 and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002.



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010


ACKNOWLEDGEMENT

Your directors wish to place on records, their sincere thanks and deep sense of appreciation for the overwhelming co-operation and assistance received from the Government of Tanzania, the Tanzania Revenue Authority, Tanzania Port Authority, various other Government and Semi Government organizations, the bankers of the company and last but not the least the employees of the company. The management looks forward for the continued support from all for the coming future.

By Order of the Board



Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 21 JUN 2011



Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 21 JUN 2011



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2010

RELATED PARTY TRANSACTIONS

The company has made all the related party transactions at arm's length and the details are provided in notes to accounts on Page 40 & 41.

POLITICAL AND CHARITABLE DONATIONS

The company did not make any political/ charitable donations during the year.

CORPORATE SOCIAL RESPONSIBILITY

The company is contributing to the society by providing indigenous food products and other services at affordable prices. Further, the company is proud employer of around 525 employees and the company ensures the mutual benefit of the employees and the business, at all times. Besides, a number of persons are indirectly earning their livelihood on being employed by the company's dealers and sub dealers. The company is regular in payment of its legal liabilities in the form of taxes. The company is making all possible efforts to avoid any kind of loss to the environment. The plastic recycling plant ensures cleaning and conversion of a large quantity of non-degradable plastic waste thus protecting the environment. The machineries used by the company are environment friendly and every effort is being made, to preserve the environment.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud, error and other irregularities.

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

AUDITORS

The auditors M/s Baker Tilly DGP & Co have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as auditors of the company for the year 2011 will be put to the Annual General Meeting.



BAKHRESA FOOD PRODUCTS LIMITED
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The company is an equal opportunity employer and provides equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regards to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training Facilities

A system of continued training is inbuilt in the working environment of the company. However, the employees are encouraged to get the additional skills in their line, as and when available and feasible from outside organizations.

Medical Assistance, Health and Safety

The company has strong health and safety measures in place, which ensure that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

Financial Assistance to Staff

Loan facility is available to all confirmed employees depending upon the assessment and the discretion of the management as to the need and circumstances. Management has established a Revolving Fund, fully managed by the staff representatives.*

Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the concerned applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees Benefit Plan

The company pays contributions to a NSSF (National Social Security Fund) on mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 525 (Previous year 415)



BAKHRESA FOOD PRODUCTS LIMITED
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RISK MANAGEMENT AND INTERNAL CONTROL

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

- The efficiency and effectiveness of operations;
- The safeguarding of Company's Assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior 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 company's internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the financial year ended 31st December 2010 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings and Management meetings, on regular basis.

SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

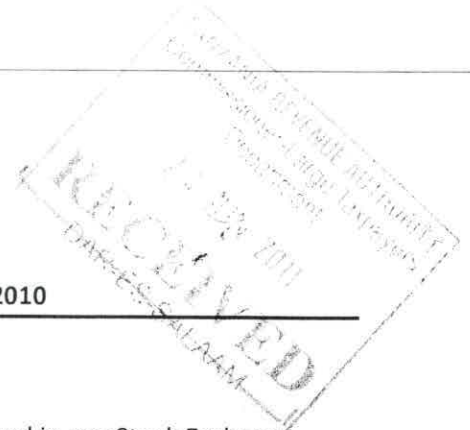
EMPLOYEES' WELFARE

Management and Employees' Relationship

There were continued good relation between employees and the management during the year and there were no unresolved complaints during the year. A healthy relationship continues to exist between management and trade union.



BAKHRESA FOOD PRODUCTS LIMITED
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STOCK EXCHANGE INFORMATION

The company is a private limited company and thus, the shares are not listed in any Stock Exchange.

FUTURE PLANS

The company will continue to improve its profitability through introduction of innovative products, focusing on value added customer services and selective expansion of its divisions while carefully managing both costs and risks. The company will continue to focus on improving productivity and introducing better quality products, to sustain our vision and mission.

A significant development in the company's operation is under implementation with the setting up of a Carbonated Soft Drinks plant at Mwanunde in Mkuranga district. Commercial operations at the plant are expected to commence in July 2011.

RESULTS AND DIVIDEND

During the year under review, the company earned a Net profit after tax of Tzs 4.9 Billion (Previous year Tzs 5.03 Billion). The Turnover of the company increased from Tzs 35.47 Billion in year 2009 to Tzs 54.91 Billion.

The overall financial position of the company improved substantially with its current ratio improving from 0.37 to 0.58.

The Water Plant operations were satisfactorily carried out and the company could manage to maintain its level of turnover from Water operations, despite increase in prices of Raw Material and stiff competition in the domestic market. The company managed to sell its products to the customer without much increase in selling prices, as part of its mission to provide its products to the people of the country at affordable prices.

The company's Fresh Juice division is working at full swing now and is expected to yield good profits in the coming future. The Ice Cream division is also working efficiently and contributing to the profitability of the company.

The company continues to suffer from steep tax rates and high port charges on importation of raw material continuous submissions are made to the government authorities to re-consider the taxes and charges, so that the benefit can be passed on to the ultimate consumer, who is currently suffering from high rates of inflation in the country.

The rising rate of depreciation of Tanzanian Shillings to US dollars continues to be matter of concern as it directly affects the costing of products. However, the management of the company is making efforts to hedge these risks by entering forward contracts etc.



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Mr. Ali Saleh Karama, is acting as Company Secretary at the date of this report.

All the directors' are having interest in the company to the extent given under the heading 'Capital Structure'. The interest was fully disclosed at the board meetings.

CORPORATE GOVERNANCE

The Board of Directors consists of three directors. All of the directors are involved in day to day operations of the company. The Board takes overall responsibility for the Company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is meeting at regular intervals. The Board delegates the day to day management of the business to the Managing Director, the Director and the senior management. Senior management is invited to attend the board and management meetings and facilitates the effective control of all the Company's operational activities, as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

MANAGEMENT

The management of the company is under the Managing Director and is organized in following departments:-

- Finance and Administration
- Operations
- Marketing

CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

As at 31st December 2010, the paid up capital of the company consists of 3,000 ordinary shares of TZS 100,000/- each and were held by the following shareholders:-

Name of Shareholder	No. of ordinary shares	
	Current Year	Previous Year
Mr. Said Salim Awadh Bakhresa	1,000	1,000
Mr. Abubakar Said Salim	1,000	1,000
Mrs. Fathiya Ahmed	1,000	1,000
Total	3,000	3,000

TANZANIA REVENUE
Commission - Large
Department
24 JUN 2011
RECEIVED
DAR-ES-SALAAM



BAKHRESA FOOD PRODUCTS LIMITED
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DIRECTORS' REPORT

The Members,

Your directors' have pleasure in presenting their report along with the Audited Financial Statements for the financial year ended on 31st December 2010, which disclose the State of Affairs of your company.

INCORPORATION

The company is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania.

VISION

- ✓ To be one of the internationally respected and professionally managed companies in the African Continent.
- ✓ To spread our wings to other parts of the globe.

MISSION

- ✓ To increase and sustain the living standards of Africans by providing them with essential products and services of global quality at affordable prices.
- ✓ To exceed the Customers' expectations through innovation and harnessing technology.

PRINCIPAL ACTIVITIES

The principal activities of the company are production of Drinking Water, Ice Cream and Other Milk products, Fresh Juice drinks, and extraction of pulps and juices from fresh farm fruits.

COMPOSITION OF THE BOARD OF DIRECTORS

The directory of company at the date of this report and who served the company during the financial year 2010, except otherwise stated are:-

Name	Position	Age	Nationality
Mr. Said Salim Awadh Bakhresa	Managing Director	63 Years	Tanzanian
Mrs. Fathiya Ahmed	Director	55 Years	Tanzanian
Mr. Abubakar Said Salim	Director	35 Years	Tanzanian





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CORPORATE INFORMATION

➤ **REGISTERED OFFICE**

Plot No.1, Block 15
Livingstone, Aggrey Street,
P.O.Box-2517,
Dar es Salaam

➤ **BOARD OF DIRECTORS**

- Mr. Said Salim Awadh Bakhresa
- Mr. Abubakar Said Salim Bakhresa
- Mrs. Fathiya Ahmed

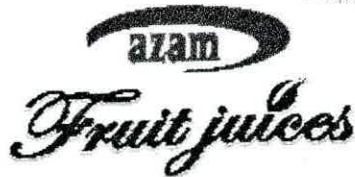
➤ **BANKERS**

- Standard Chartered Bank (Tanzania) Limited
- National Bank of Commerce Limited
- Kenya Commercial Bank Limited
- Bank M Tanzania Limited

➤ **AUDITORS**

M/s Baker Tilly DGP & Co.
Certified Public Accountants
P.O.Box-1314, Dar es Salaam

2010



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P.O. Box 2517, Dar Es Salaam.





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(iii) Payable to related parties

	2011	2010
	TShs'000	TShs'000
Payable to related parties		
Azam Marine Company Limited	790,000	4,927,423
Bakhresa Grain Milling (U) Ltd.	2,289,001	2,133,395
Omar Packaging Industries Limited	2,698,860	472,733
Said Salim Bakhresa & Co. Limited	NIL	2,792,040

(iv) Receivable from related parties

	2011	2010
	TShs'000	TShs'000
Receivable from related parties		
Said Salim Bakhresa & Co. Ltd.	NIL	25,276
Reliable Property Developers Ltd	826	

(v) Financial transaction with related parties during 2011

The related parties are as follows	2011
	Tshs' 000
Said Salim Bakhresa & Co. Ltd (Paid on behalf)	23,695
Said Salim Bakhresa & Co. Ltd (Received on behalf)	189,843
Omar Packaging Industries Ltd. (Machine Purchases)	2,950,000
Azam Marine Co. Limited (Interest on Loan paid)	36,000
Coastal Fast Ferries Ltd.(Paid & Received on account)	650,000
Zanzibar Milling Corporation Ltd.(Loan paid)	100,000

(vi) Directors' remuneration

The remuneration to directors were as follows:	2011	2010
	Tshs' 000	Tshs' 000
Directors Gross Emoluments	600,000	NIL
Directors Fees - Executive	17,200	13,500
Directors Fees - Non-executive	2,800	2,250

(vii) Directors' Loan during the year 2011

The Director Loan as follows :	2011 Tshs' 000
Mr. Said Salim Awadh Bakhresa	2,800,000



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(b) *The maturity of the non-current borrowings is as follows:-*

	2011	2010
	Tshs. '000	Tshs. '000
<i>Between 1 and 2 years</i>	2,011,201	3,738,031
<i>Between 2 and 5 years</i>	40,364,783	22,405,685

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the directors expect would be available to the company at the balance sheet date.

23 CAPITAL COMMITMENT

The Group had no capital commitments and contracts.

24 CONTINGENT LIABILITIES

The Company has no contingent Liability as on 31.12.2011.

25 RELATED PARTY TRANSACTIONS & BALANCES

(i) Sale of goods and services

	2011	2010
	Tshs '000	Tshs '000
<i>Azam Bakeries Company Ltd.</i>	465,101	336,775
<i>Said Salim Bakhresa & Co. Ltd.</i>	36,940	46,440

(ii) Purchase of goods and services

	2011	2010
	TShs'000	TShs'000
Purchase of goods		
<i>Omar Packaging Industries Ltd</i>	5,490,230	3,580,617
<i>Said Salim Bakhresa & Co. Ltd.</i>	2,546,249	617,424
<i>Azam Bakeries Company Limited</i>	201,574	558,200
<i>Reliable Property Developers Ltd</i>	101,893	
<i>Tacona Holdings Ltd</i>	269,679	
<i>SatAfrik Tanzania Ltd</i>	358	



**BAKHRESA FOOD PRODUCTS LIMITED
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- b) *Chattel mortgage over the 3 Blow Moulding Machines, Ice Cream processing plant, P.E.T recycling machineries, 1 Ltr Tetra Pak filling line and Coconut pasteurizer, Netstal Injection Moulding machine, Kronas Filling lines, Sacmi Imola cap moulding machines and 10 Volvo Trucks.*
- c) *Legal mortgage over Plot No. 4A i.n.o Bakhresa Food Products Ltd., located at Vingunguti area, DSM to be registered to cover full market price.*
- d) *Legal mortgage over Plot No. 4C i.n.o Bakhresa Food Products Ltd., located at Vingunguti area, DSM to be registered to cover full market price.*
- e) *Legal mortgage over Plot No. 5 Block 74, Mchikichi Street, Dar es Salaam i.n.o Bakhresa Food Products Ltd., to be registered to cover full market price.*
- f) *Legal mortgage over Plot No. 33 Block 56, Mahiwa Street, Dar es Salaam i.n.o Reliable Property Developers Ltd., to be registered to cover full market price.*
- g) *Cross company guarantee from Reliable Property Developers Ltd*
- h) *Legal mortgage over Plot No.883 Mwandege Area in Mkuranga District, Coast Region i.n.o Bakhresa Food Products Ltd., to be registered to cover full market price.*
- i) *Personal Guarantee from Mr. Said Salim Awadh Bakhresa.*

(ii) Standard Chartered Bank Tanzania Limited (SCB T Ltd):

The total term loan sanctioned by SCB T Ltd amounts to USD 7.0 million. Further it has provided overdraft facility of USD 1.0 million and Import finance limit of USD 2.0 million.

The securities provided to NMB Plc will be shared parri pasu with SCB T Ltd.

(iii) Bank M (Tanzania) Limited.

The total term loan sanctioned by Bank M (Tanzania) Limited amounts to USD 1.450 million.

The loan is secured by the following:-

1. *Extension of charge of Mortgage over property on plot no 2 & 3, Block 59, Kariakoo Area, Dar es Salaam City with Certificate of the Title No 78554. The property is registered in the name of Reliable Property Developers Limited.*
2. *Corporate Guarantee of Reliable Developers Limited.*

(iv) Commerzbank Aktiengesellschaft

The total term loan sanctioned by Commerzbank Aktiengesellschaft amounts to EUR 4,583,863 and has been registered by the Bank of Tanzania.

The Loan is secured and supported by Guarantee from SSB & Co. Ltd.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

21 PROVISIONS & ACCRUALS	2011	2010
	<i>Tshs.</i>	<i>Tshs.</i>
Liability for Taxes	85,344,063	31,062,010
Vat Payable	830,934,856	-
Audit Fees Payable	12,956,000	7,485,731
Excise Duty Payable	4,693,725,384	-
Penal Interest on excise	48,270,191	-
Assessment Tax Payable 2009 & 2010	334,756,276	-
	6,091,063,890	90,013,645

22 BORROWINGS	2011	2010
	<i>T Shs'000</i>	<i>T Shs'000</i>
Bank and other borrowings (a)	58,591,857	32,332,936
Less: Current portion (b)	(16,215,872)	(6,189,220)
Due after more than 12 months	42,375,985	26,143,716

(a) This is made up as follows:

	2011	2010
	<i>TShs'000</i>	<i>TShs'000</i>
National Microfinance Bank (i)	30,276,632	7,927,178
Standard Chartered Bank Tanzania Ltd (ii)	9,799,418	2,000,073
Bank M Tanzania Limited (iii)	2,011,202	768,698
Commerzbank AG (iv)	7,452,750	8,877,263
Other borrowings	9,051,855	12,759,722
	58,591,857	32,332,936

(i) National Microfinance Bank Plc (NMB Plc):

The total term loan sanctioned by NMB Plc amounts to TZS 23.0 billion. Further it has provided overdraft facility of TZS 12.0 billion and a Post Import Loan limit of USD 3.50 million.

The loan is secured by the following:-

a) Debenture over fixed and floating assets of the company to cover total facilities by 130%.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

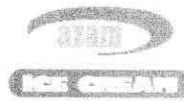
17	Long Term Loan	2011	2010
	<i>Secured</i>	Tsh	Tsh
	National Bank of Commerce Term Loan	-	3,738,031,585
	Bank M Tanzania Ltd. - Loan A/c	2,011,201,971	768,698,815
	Commerzbank AG Loan A/c	7,452,750,286	8,877,263,589
	National Microfinance Bank Term Loan A/c	15,444,097,473	-
	Standard Chartered Bank Term Loan A/c	8,416,081,214	-
	<i>Unsecured</i>		
	Azam Marine Co. Ltd. Loan A/c	790,000,000	4,927,422,839
	Said Salim Awadh Bakhresa Loan A/c	2,800,000,000	2,800,000,000
	Rainbow International FZCO	3,172,853,300	2,918,904,548
	Bakhresa Grain Milling (U) Ltd	2,289,001,363	2,113,394,828
		<u>42,375,985,608</u>	<u>26,143,716,204</u>
18	Trade & Other payables		
	Sundry Creditors	22,437,576,436	13,696,256,913
	Short Term Advance	-	1,750,000,000
	Advance from customers	5,075,645,199	735,751,046
		<u>27,513,221,635</u>	<u>16,182,007,959</u>
19	Bank overdraft		
	National Bank of Commerce - Tsh A/c	(37,734,222)	3,231,887,516
	National Bank of Commerce - Usd A/c	(34,851,182)	957,259,044
	Standard Chartered Bank - Tsh A/c	619,624,713	1,484,204,927
	Standard Chartered Bank - Usd A/c	763,711,723	515,868,526
	National Microfinance Bank - Tsh A/c	14,832,535,296	-
		<u>16,143,286,328</u>	<u>6,189,220,014</u>
20	Due to associate companies		
	Omar Packaging Industries Ltd	2,698,860,762	472,733,000
	Said Salim Bakhresa & Co. Ltd	-	2,792,039,853
		<u>2,698,860,762</u>	<u>3,264,772,853</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	Tshs.	Tshs.
14 Deposit & Advances		
Staff Advance & Loans	14,849,872	5,110,723
Input Vat unclaimed C/F [2011]	439,222,939	190,012,958
Import duty	205,856,910	150,301,146
Other Custom Charges	18,482,769	53,942,606
Prepaid Expenses	17,259,375	7,210,000
Prepaid Insurance	486,774	-
Prepaid Rent	129,358,459	46,681,399
Withholding Tax Receipts	444,046	204,047
Deposits	384,629,131	323,460,405
	<u>1,210,590,275</u>	<u>776,923,286</u>
15 Cash & Cash equivalent		
Cash	75,919,919	30,010,181
Diamond Trust Bank Ltd – TZS	-	925,487
Kenya Commercial Bank Ltd – TZS	397,965,695	111,204,162
Bank M Tanzania Ltd. – USD	52,188,980	3,567,569
Kenya Commercial Bank Ltd – USD	305,172,418	-
Bank M Tanzania Ltd. – TZS	259,375,000	-
National Microfinance Bank – CSD	213,467,264	-
National Microfinance Bank – Juice	84,248,981	-
National Microfinance Bank – Ice Cream	175,792,234	-
National Microfinance Bank – USD	1,133,494,149	-
National Microfinance Bank – Euro	4,746,044	-
	<u>2,702,370,684</u>	<u>145,707,398</u>
16 Share Capital		
Authorize Share capital of 5,000 ordinary shares of Tshs. 100,000 each.	<u>500,000,000</u>	<u>300,000,000</u>
Paid up share capital of 3,350 shares of Tshs.100,000 each.	335,000,000 ^o	300,000,000
(Being out of 3350 shares, 350 nos. of shares were issued other than cash)		



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

10 Deferred tax

Deferred tax is calculated on all temporary differences under the liability method using an Effective tax rate of 30%.

	AS AT 01-01-2011	Charge to P & L	EQ	AS AT 31-12-2011
Deferred tax liability				
Property plant & equipment				
- accelerated capital allowance	5,841,066,840	4,134,796,706	(45,279,362)	9,930,584,184
- revaluation	-	-	-	-
	5,841,066,840	4,134,796,706	(45,279,362)	9,930,584,184
Deferred tax asset				
Carry forward loss	874,904,529	1,216,949,681	(267,166,960)	1,824,687,251
other timing difference	-	-	-	-
	874,904,529	1,216,949,681	(267,166,960)	1,824,687,251

	2011 Tshs.	2010 Tshs.
11 Investment		
Tacona Holdings Limited - Shares	274,414,162	274,414,162
	274,414,162	274,414,162
12 Inventory		
Raw Material	15,953,036,396	4,570,468,571
Work in progress	322,733,006	566,243,617
Finished goods	4,374,663,828	697,898,887
	20,650,433,230	5,834,611,075
13 Trade & Other receivables		
Debtors	321,071,560	98,590,430
Advance to suppliers	6,369,026,573	8,109,868,353
	6,690,098,133	8,208,458,783



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	Tshs.	Tshs.
9 Tax expense		
Tax provision for current year (Alternate minimum tax)	292,424,539	164,756,047
Deferred tax expense relating to the origination and reversal of temporary differences	2,917,847,026	2,394,733,412
	<u>3,210,271,565</u>	<u>2,559,489,459</u>
Working showing tax for current year		
Accounting Profit	9,520,856,255	7,983,927,324
Tax at applicable tax rate of 30% p.a.	2,856,256,879	2,395,178,197
<i>Tax effect of expenses that are not deductible in determining taxable profits:-</i>		
Telephone expenses	1,962,975	2,140,610
Motor vehicle expenses	2,808,823	4,570,693
Travelling expenses	4,154,787	3,696,606
Penal Interest on Excise	14,481,057	-
Donation	150,000	-
Work Permit	38,032,506	-
Deferred tax adjustments	-	(10,852,694)
Alternate Minimum Tax	292,424,539	164,756,047
	<u>3,210,271,565</u>	<u>2,559,489,459</u>



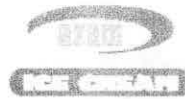
BAKHRESA FOOD PRODUCTS LIMITED
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8	FIXED ASSETS COST	Motor Vehicles Class I	Motor Vehicles Class II	Capital Work in Progress	Total
	COST				
	At 1st January 2010	2,568,162,550	321,276,512	8,952,757,462.46	58,964,046,516
	Addition	276,034,802	190,503,837	15,906,009,974	30,825,568,882
	Disposal	-	-	(8,952,757,462)	(8,952,757,462)
	Revaluation increase / (decrease)				-
	At 1st January 2011	2,844,197,352	511,780,349	15,906,009,974	80,836,857,936
	Addition	4,814,200,176	106,419,688	22,249,630,984	64,197,298,963
	Disposal	-	-	(15,906,009,974)	(15,906,009,974)
	Revaluation increase / (decrease)				-
	At 31st December 2011	7,658,397,529	618,200,037	22,249,630,984	129,128,146,927
	Comprising:				
	At Cost	7,658,397,529	618,200,037	22,249,630,984	128,128,146,927
	At Valuation 2011	-	-	-	-
	ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	At 1st January 2010	1,093,118,152	291,021,923	-	13,983,491,361
	Depreciation for the period	380,667,589	64,848,872	-	5,451,973,281
	At 1st January 2011	1,473,785,742	355,870,796	-	19,435,464,642
	Depreciation for the period	1,114,590,250	88,409,881	-	8,397,455,203
	At 31st December 2011	2,588,375,992	444,280,676	-	27,832,919,845
	CARRYING AMOUNT				
	AT 31ST DECEMBER 2011	5,070,021,538	173,919,361	22,249,630,984	101,295,227,082
	AT 31ST DECEMBER 2010	1,370,411,611	155,909,554	15,906,009,974	61,401,393,296



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8	FIXED ASSETS COST.	Land & Factory Buildings	Plant & Machinery	Furniture, Fixtures	Electrical Equipment
	COST				
	At 1st January 2010	2,910,543,250	43,690,591,106	240,488,361	280,227,275
	Addition	3,532,400,202	10,705,505,585	34,733,892	180,380,591
	Disposal /Revaluation	-	-	-	-
	At 1st January 2011	6,442,943,452	54,396,096,691	275,222,253	460,607,866
	Addition	8,330,073,228	28,544,558,701	59,907,225	92,508,960
	Disposal /Revaluation	-	-	-	-
	At 31st December 2011	14,773,016,680	82,940,655,392	335,129,478	553,116,825
	Comprising:				
	At Cost	14,773,016,680	82,940,655,392	335,129,478	553,116,825
	At Valuation 2011	-	-	-	-
	ACCUMULATED DEPRECIATION AND IMPAIRMENT				
	At 1st January 2010	343,468,892	12,050,820,111	96,958,046	108,104,236
	Depreciation for the period	173,488,255	4,781,054,984	20,861,612	31,051,969
	At 1st January 2011	516,957,147	16,831,875,095	117,819,658	139,156,205
	Depreciation for the period	423,791,837	6,703,148,584	21,969,482	45,545,169
	At 31st December 2011	940,748,984	23,535,023,679	139,789,140	184,701,373
	CARRYING AMOUNT				
	AT 31ST DECEMBER 2011	13,832,267,696	59,405,631,714	195,340,338	368,415,452
	AT 31ST DECEMBER 2010	5,925,986,305	37,564,221,596	157,402,595	321,451,661



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	Tshs.	Tshs.
6 Selling & Distribution cost		
Salaries for Selling & Dist.	366,723,631	253,742,352
NSSF Contribution for selling & Dist. Employees	27,513,338	20,534,753
SDL on Salaries for Selling & Dist.	23,843,418	15,878,246
Selling & Distribution Expenses	84,053,475	155,722,004
Motor Vehicle Running Expenses	842,646,841	609,425,721
Electricity Charges - Shops	4,313,209	21,057,866
Advertisement	19,353,949	10,871,240
	<u>1,368,447,861</u>	<u>1,087,232,180</u>
7 Finance cost		
Bank Charges	404,188,929	103,771,769
Foreign Exchange Loss	2,616,263,356	2,098,669,556
Interest on Loan from Others	67,000,000	64,500,000
Interest on Overdraft	513,857,209	500,319,663
Interest on Term loan	1,615,439,676	324,226,303
	<u>5,216,749,169</u>	<u>3,091,487,290</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2010
	Tshs.	Tshs.
5 Administrative expenses		
Audit fees	12,956,000	9,087,842
Canteen Expenses	12,902,000	81,614,837
City Service Levy	137,561,220	75,073,755
Directors Fees	20,000,000	15,750,000
Donation	500,000	-
Insurance	147,173,391	130,034,357
Laboratory Expenses	1,695,331	876,800
Other employees benefits	15,558,637	10,985,259
Medical Reimbursement	24,724,019	-
Penal Interest on excise	48,270,191	-
License & Fees	25,930,704	26,182,511
Postage and Courier Charges	10,598,169	6,599,744
Printing & Stationery	43,087,155	28,172,184
Rent, Rates & Taxes	236,843,810	308,731,524
R & M Electrical Equipment	4,895,365	4,818,423
R&M Office equipment	34,893,204	13,472,969
R&M - Others	19,162,558	7,454,144
Security Charges	71,146,708	3,467,981
Salaries for Office & Admin.	1,100,170,894	761,227,055
NSSF contribution Office & Admin. Employees	82,540,013	61,604,258
Skills & Development levy	71,530,253	47,634,737
Sewerage Charges	10,667,481	10,584,319
Staff Welfare Expenses	41,828,100	45,404,292
Telephone charges	32,716,243	35,676,830
Travelling Expenses	138,492,903	123,220,203
Vehicle Maintenance	93,627,427	152,356,430
Work Permit Fees	126,775,020 ^a	54,679,153
	<u>2,566,246,795</u>	<u>2,014,709,605</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

	2011	2011
	Tshs.	Tshs.
4 Cost of sales		
R.M. Stock & W.I.P. (Opening)	5,136,712,188	3,434,945,531
Add: Purchases & Related cost	67,165,340,278	30,817,337,592
	<u>72,302,052,466</u>	<u>34,252,283,123</u>
Less: R.M. Stock , Consumables & W.I.P. (Closing)	16,275,769,401	5,136,712,188
	<u>56,026,283,065</u>	<u>29,115,570,935</u>
Consumed for Production		
<i><u>Manufacturing Expenses</u></i>		
Electricity Charges	6,158,767,253	3,441,778,824
Material Handling Charges	148,908,052	24,864,396
R&M Plant & Machinery	1,939,967,621	1,072,757,427
Wages and Related expenses	2,200,341,788	1,522,454,109
NSSF Contribution for factory employees	165,080,026	123,208,515
SDL on Factory Wages & Salaries	143,060,505	95,269,474
Refuse Tax	115,812,500	86,071,332
Excise Duty	6,802,995,610	-
Factory Rent	231,299,870	177,018,660
R & M Buildings	149,339,663	93,603,426
Dep. On Factory Building	423,791,837	173,488,255
Dep. On Plant & Machinery	6,703,148,584	4,781,054,984
	<u>81,208,796,374</u>	<u>40,707,140,337</u>
Total cost of production		
Add: - Opening stock of FG	697,898,887	234,654,419
Less: - Closing stock of FG	4,374,663,828	697,898,887
Total cost of sales	<u><u>77,532,031,433</u></u>	<u><u>40,243,895,869</u></u>



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Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via strictly credit terms.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, it is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The company is exposed to foreign currency risk, as its raw material and packing material is imported from outside and is subject to currency fluctuations.

Interest rates and liquidity risk

Fluctuation in interest rates has impact on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. The company has availed long term and short term funding from the banks. The interest rates are dependent upon the market conditions and are subject to change. The said change can affect the profitability of the company. *As net current asset is negative, the directors have assured to inject more funds into the business as and when required.*



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Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributes to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

M. PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.2 FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programmes seek to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.



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H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

J. BORROWINGS

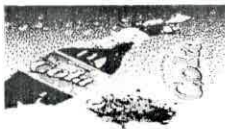
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period they accrue unless they can be related, with certainty, to fixed assets construction projects in which case they are capitalised as part of the asset's cost. During the year 2011, the amount of interest capitalized is NIL (Previous Year TZS 19.26 Million), being interest on term loan against Machinery under work in progress as on 31st December 2011.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.



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Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments received under operating leases are shown under the head 'Other Income'.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.



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D. PROPERTY, PLANT AND EQUIPMENT

Land and buildings comprise mainly the factory building, godown and offices. All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, 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 reliably measured.

The company has adopted cost model for the valuation of assets as provided in IAS 16, Property, Plant and Equipment.

Depreciation is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

	Rate (%)
Factory Buildings & Godown	4.0
Furniture ,Fixture & office equipments	12.50
Machinery, equipment, furniture and fittings	12.50
Motor Vehicles Class I	37.50
Motor Vehicles Class II	25.00
Electrical Equipments	12.50

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



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A. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Tanzania Shillings (TZS). The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2

B. REVENUE RECOGNITION

Revenue is recognised when the goods are sold and is represented net of VAT.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.



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2 ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

Amendment to IAS 32, 'Classification of rights issues' 1 February 2010

- . IFRIC 19, 'Extinguishing financial liabilities with equity instruments' 1 July 2010
- . Amendments to IFRS 1, 'Limited exemption from comparative IFRS 7 disclosures' 1 July 2010
- . IAS 24, 'Related party disclosures' 1 January 2011
- . Improvements to IFRS 2010 (annual improvements project) various, mostly January 2011
- . IFRIC 14, 'Prepayments of a minimum funding requirement' 1 January 2011

Forthcoming standards and interpretations are:

Effective date

- . Amendments to IFRS 7, 'Disclosures – Transfer of financial assets' 1 July 2011
- . Severe hyperinflation and removal of fixed dates for first-time adopters – amendment to IFRS 1, 'First-time adoption of International Financial Reporting Standards' 1 July 2011
- . Recovery of underlying assets – amendment to IAS 12, 'Income taxes' 1 January 2012
- . Amendment to IAS 1, 'Presentation of financial statements' 1 July 2012
- . IFRS 9, 'Financial instruments' 1 January 2013
- . IFRS 10, 'Consolidated financial statements' 1 January 2013
- . IFRS 11, 'Joint arrangements' 1 January 2013
- . IFRS 12, 'Disclosure of interests on other entities' 1 January 2013
- . IFRS 13, 'Fair value measurement' 1 January 2013
- . IAS 28, 'Investments in associates and joint ventures' 1 January 2013
- . IAS 27, 'Separate financial statements' 1 January 2013
- . Amendment to IAS 19, 'Employee benefits' 1 January 2013
- . Amendment to IFRS 1, 'First-time adoption of International Financial Reporting Standards' 1 July 2013.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 The principal accounting policies adopted in the preparation of these financial statements are set out below.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2011

1 GENERAL INFORMATION

Bakhresa Food Products Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The principal activities of the company are disclosed in the Directors Report. The address of its registered office is:

Plot No. 1, Block No. 15
Livingstone/ Aggrey Street,
P O Box 2517,
Dar es Salaam.

And its principal places of business are given below:-

Buguruni Water Plant,
Nelson Mandela Road,
P.O.Box-2517, Dar es Salaam

Kipawa Water Plant, Nyerere Road
P O Box 2517
Dar es Salaam.

Vingunguti Juice & Ice Cream Plant,
Nyerere Road, P.O.Box-2517,
Dar es Salaam.

Mwandege CSD Plant,
Mwandege, P.O. Box 2517,
Mkuranga District.




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CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST DECEMBER 2011

	2011	2010
	Tshs.	Tshs.
OPERATING ACTIVITY		
Profit for the year	6,310,584,690	4,907,807,978
Less: - adjustments		
Depreciation	8,397,455,203	5,451,973,281
Prior Period Adjustment A/c	(327,162,187)	(172,092,983)
Income Tax Expenses	3,210,271,565	2,559,489,459
Operating profit before working capital changes	17,591,149,271	12,747,177,735
(Increase) / Decrease in Inventory	(14,815,822,154)	(2,165,011,125)
(Increase) / Decrease in Trade & Other receivables	1,518,360,649	(6,156,901,291)
(Increase) / Decrease in Deposits & Advances	(433,666,990)	(373,161,958)
Increase / (Decrease) in Trade & Other payables	11,331,213,676	7,946,639,019
Increase / (Decrease) in Bank overdraft	9,954,066,314	(638,783,125)
Increase / (Decrease) in Provisions & Accruals	6,001,050,245	(242,461,916)
Increase / (Decrease) in Dues to Associated Company	(565,912,091)	2,237,449,706
Cash generated from operations	30,580,438,919	13,354,947,045
Less: -		
Corporate Tax Paid	164,756,047	106,419,916
NET CASH FROM OPERATING ACTIVITY	30,415,682,872	13,248,527,129
INVESTING ACTIVITY		
Purchase of assets	(48,291,288,989)	(21,872,811,420)
NET CASH FROM INVESTING ACTIVITY	(48,291,288,989)	(21,872,811,420)
FINANCING ACTIVITY		
Increase in long term loan	16,232,269,403	8,734,576,899
Allotment of Shares	35,000,000	-
Share Premium	4,165,000,000	-
NET CASH FROM FINANCING ACTIVITY	20,432,269,403	8,734,576,899
NET INCREASE OR DECREASE IN CASH EQUIVALENT	2,556,663,286	110,292,608
Cash and cash equivalent at the beginning of the year	145,707,398	35,414,790
Cash and cash equivalent at the end of the year	2,702,370,684	145,707,398

The significant Accounting policies on Pages 17 to 24 and Notes to Accounts on Page no 25 to 37 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and signed on its behalf by:


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 26 JUN 2012


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated:



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STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST DECEMBER 2011.

	<i>SHARE CAPITAL</i> Tshs.	<i>SHARE PREMIUM</i> Tshs.	<i>RETAINED EARNINGS</i> Tshs.	<i>Total</i> Tshs.
<i>Balance as at 1st January 2010</i>	300,000,000	-	14,605,143,972	14,905,143,972
<i>Profit for the year</i>	-	-	4,907,807,978	4,907,807,978
<i>Prior year adjustments</i>	-	-	(172,092,983)	(172,092,983)
<i>Balance as at 1st January 2011</i>	300,000,000	-	19,340,858,967	19,640,858,967
<i>As restated as on 1st January 2011</i>	300,000,000	-	19,340,858,967	19,640,858,967
<i>Profit for the year</i>	-	-	6,310,584,690	6,310,584,690
<i>Allotment of Shares at premium</i>	35,000,000	4,165,000,000	-	4,200,000,000
<i>Deferred Tax effect on assessment</i>	-	-	(221,887,598)	(221,887,598)
<i>Prior year adjustments</i>	-	-	(327,162,187)	(327,162,187)
<i>Balance as at 31st December 2011</i>	335,000,000	4,165,000,000	25,102,393,873	29,602,393,873

The significant Accounting policies on Pages 17 to 24 and Notes to Accounts on Page no 25 to 37 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and signed on its behalf by:


Sajid Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 26 JUN 2012


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated



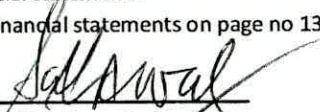
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BALANCE SHEET AS ON 31ST DECEMBER 2011


	Notes	2011 Tshs.	2010 Tshs.
ASSETS			
<i>NON-CURRENT ASSETS</i>			
Property, Plant & Equipments	8	101,295,227,082	61,401,393,295
Deferred tax asset	10	1,824,687,251	874,904,529
Investment in Shares	11	<u>274,414,162</u>	<u>274,414,162</u>
		103,394,328,495	62,550,711,986
<i>CURRENT ASSETS</i>			
Inventory	12	20,650,433,230	5,834,611,075
Trade & other receivables	13	6,690,098,133	8,208,458,783
Deposits & Advances	14	1,210,590,275	776,923,286
Cash & Cash equivalent	15	<u>2,702,370,684</u>	<u>145,707,398</u>
		31,253,492,322	14,965,700,542
TOTAL ASSETS		<u>134,647,820,818</u>	<u>77,516,412,529</u>
CAPITAL & LIABILITIES			
<i>CAPITAL & RESERVES</i>			
Share capital	16	335,000,000	300,000,000
Share Premium		4,165,000,000	-
Retained earnings		<u>25,102,393,873</u>	<u>19,340,858,967</u>
		29,602,393,873	19,640,858,967
<i>NON-CURRENT LIABILITY</i>			
Long term loan	17	42,375,985,608	26,143,716,204
Deferred tax liability	10	<u>9,930,584,184</u>	<u>5,841,066,840</u>
		52,306,569,792	31,984,783,044
<i>CURRENT LIABILITIES</i>			
Trade & other payables	18	27,513,221,635	16,182,007,959
Bank overdraft	19	16,143,286,328	6,189,220,014
Current Tax	9	292,424,539	164,756,047
Dues to associate companies	20	2,698,860,762	3,264,772,853
Provisions & accruals	21	<u>6,091,063,890</u>	<u>90,013,645</u>
		52,738,857,153	25,890,770,517
TOTAL LIABILITY		<u>134,647,820,818</u>	<u>77,516,412,529</u>

The significant Accounting policies on Pages 17 to 24 and Notes to Accounts on Page no 25 to 37 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and and signed on its behalf by:


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam

Dated: 26 JUN 2012


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam

Dated:



Uhai



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2011

		2011	2010
		Tshs.	Tshs.
	Notes		
Revenue		97,474,846,294	54,918,682,311
Cost of sales	4	<u>77,532,031,433</u>	<u>40,243,895,869</u>
Gross profit		19,942,814,861	14,674,786,442
Less Expenses:-			
Administrative expenses	5	2,566,246,795	2,014,709,605
Selling & Distribution expenses	6	1,368,447,861	1,087,232,180
Finance cost	7	<u>5,216,749,169</u>	<u>3,091,487,290</u>
		9,151,443,825	6,193,429,076
Profit before depreciation		10,791,371,037	8,481,357,366
Depreciation	8	<u>1,270,514,782</u>	<u>497,430,042</u>
Profit before tax		9,520,856,255	7,983,927,324
Interest adjustment on Fair Value of Unsecured liabilities		-	<u>516,629,887</u>
		9,520,856,255	7,467,297,437
Less: - Tax expense	9	<u>3,210,271,565</u>	<u>2,559,489,459</u>
Net profit / (Loss) for the period		<u>6,310,584,690</u>	<u>4,907,807,978</u>

The significant Accounting policies on Pages 17 to 24 and Notes to Accounts on Page no 25 to 37 form an integral part of these financial statements.

The financial statements on page no 13 to 16 were approved by the board of directors and signed on its behalf by:


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 26 JUN 2012


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated:

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,

Baker Tilly DGP

K.S.Bhattbhatt
Partner



Place : Dar Es Salaam

Dated : 27 JUN 2012



BAKER TILLY
DGP & CO
Certified Public Accountant

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAKHRESA FOOD PRODUCTS LIMITED.

We have audited the accompanying financial statements of M/s BAKHRESA FOOD PRODUCTS LIMITED, set out herewith, which comprises of Balance sheet as at December 31st 2011, income statement, statement of change in equity and cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the financial position of the Company as at December 31st 2011 and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002.



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud, error and other irregularities.

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

AUDITORS

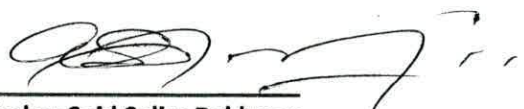
The auditors M/s Baker Tilly DGP & Co have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as auditors of the company for the year 2012 will be put to the Annual General Meeting.

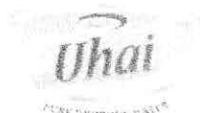
ACKNOWLEDGEMENT

Your directors wish to place on records, their sincere thanks and deep sense of appreciation for the overwhelming co-operation and assistance received from the Government of Tanzania, the Tanzania Revenue Authority, Tanzania Port Authority, various other Government and Semi Government organizations, the bankers of the company and last but not the least the employees of the company. The management looks forward for the continued support from all for the coming future.

By Order of the Board


Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated: 20 JUN 2012


Abubakar Said Salim Bakhresa
Director
Dar Es Salaam
Dated: 20 JUN 2012



BAKHRESA FOOD PRODUCTS LIMITED
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Financial Assistance to Staff

Loan facility is available to all confirmed employees depending upon the assessment and the discretion of the management as to the need and circumstances. Management has established a Revolving Fund, fully managed by the staff representatives.

Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the concerned applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees Benefit Plan

The company pays contributions to a NSSF (National Social Security Fund) on mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 656 (Previous year 525)

RELATED PARTY TRANSACTIONS

The company has made all the related party transactions at arm's length and the details are provided in notes to accounts on Page 36 & 37.

POLITICAL AND CHARITABLE DONATIONS

The company does not make any political donations during the year.

CORPORATE SOCIAL RESPONSIBILITY

The company is contributing to the society by providing indigenous food products and other services at affordable prices. Further, the company is proud employer of around 656 employees and the company ensures the mutual benefit of the employees and the business, at all times. Besides, a number of persons are indirectly earning their livelihood on being employed by the company's dealers and sub dealers. The company is regular in payment of its legal liabilities in the form of taxes. The company is making all possible efforts to avoid any kind of loss to the environment. The plastic recycling plant ensures cleaning and conversion of a large quantity of non-degradable plastic waste thus protecting the environment. The machineries used by the company are environment friendly and every effort is being made, to preserve the environment.



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011

control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the financial year ended 31st December 2011 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings and Management meetings, on regular basis.

SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

EMPLOYEES' WELFARE

Management and Employees' Relationship

There were continued good relation between employees and the management during the year and there were no unresolved complaints during the year. A healthy relationship continues to exist between management and trade union.

The company is an equal opportunity employer and provides equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regards to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training Facilities

A system of continued training is inbuilt in the working environment of the company. However, the employees are encouraged to get the additional skills in their line, as and when available and feasible from outside organizations.

Medical Assistance, Health and Safety

The company has strong health and safety measures in place, which ensure that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.



BAKHRESA FOOD PRODUCTS LIMITED
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The Water Plant operations were satisfactorily carried out and the company could manage to maintain its level of turnover from Water operations, despite increase in prices of Raw Material and stiff competition in the domestic market. The company managed to sell its products to the customer without much increase in selling prices, as part of its mission to provide its products to the people of the country at affordable prices.

The company's Fresh Juice division is working at full swing now and is expected to yield good profits in the coming future. The Ice Cream division is also working efficiently and contributing to the profitability of the company. The Carbonated Soft Drinks division started commercial operations in July 2012 and it is heartening that the products of the company have been well accepted by the consumers. Newer varieties of carbonated drinks and fruit juice products are expected to be introduced in the selling range in the near future.

The company continues to suffer from steep tax rates and high port charges on importation of raw material. Continuous submissions are made to the government authorities to re-consider the taxes and charges, so that the benefit can be passed on to the ultimate consumer, who is currently suffering from high rates of inflation in the country. Instead of providing concessions, the 2011 budget has imposed Excise Duty on bottled drinking water, which is a major product of the company.

The rising rate of depreciation of Tanzanian Shillings to US dollars continues to be matter of concern as it directly affects the costing of products. However, the management of the company is making efforts to hedge these risks by entering forward contracts etc.

RISK MANAGEMENT AND INTERNAL CONTROL

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

- The efficiency and effectiveness of operations;
- The safeguarding of Company's Assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior 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 company's internal



BAKHRESA FOOD PRODUCTS LIMITED
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Name of Shareholder	No. of ordinary shares	
	Current Year	Previous Year
Mr. Said Salim Awadh Bakhresa	1,000	1,000
Mr. Abubakar Said Salim	1,000	1,000
Mrs. Fathiya Ahmed	1,000	1,000
Azam Marine Company Ltd.	350	NIL
Total	3,350	3,000

STOCK EXCHANGE INFORMATION

The company is a private limited company and thus, the shares are not listed in any Stock Exchange.

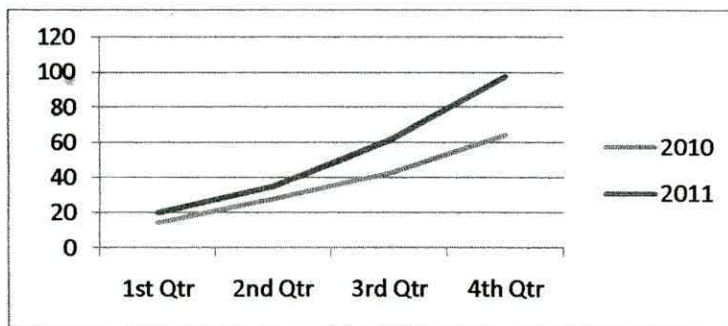
FUTURE PLANS

The company will continue to improve its profitability through introduction of innovative products, focusing on value added customer services and selective expansion of its divisions while carefully managing both costs and risks. The company will continue to focus on improving productivity and introducing better quality products, to sustain our vision and mission.

Considering the importance of Carbon dioxide as an input in the Carbonated Soft Drinks operations, the company is in the process of finalizing a contract for installation of a complete CO2 extraction plant at its Mwanwege location to ensure continuous supply of this essential ingredient.

RESULTS AND DIVIDEND

During the year under review, the company earned a Net profit after tax of Tzs 6.31 Billion (Previous year Tzs 4.91 Billion). The Turnover of the company increased from Tzs 54.91 Billion in year 2010 to Tzs 97.47 Billion.



The overall financial position of the company improved substantially with its current ratio improving from 0.58 to 0.59.



BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011

Mr. Ali Saleh Karama, is acting as Company Secretary at the date of this report.

All the directors' are having interest in the company to the extent given under the heading 'Capital Structure'. Their interests were fully disclosed at the board meetings.

CORPORATE GOVERNANCE

The Board of Directors consists of three directors. All the directors are involved in day to day operations of the company. The Board takes overall responsibility for the Company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board meets at regular intervals. The Board delegates the day to day management of the business to the Managing Director, the Director and the senior management. Senior management is invited to attend the board and management meetings and facilitates the effective control of all the Company's operational activities, as a medium of communication and coordination between the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

MANAGEMENT

The management of the company is under the Managing Director and is organized in following departments:-

- Finance and Administration
- Operations
- Marketing

CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

The Authorized Capital of the company was increased to TZS 500,000,000/- during the year comprising of 5000 Ordinary Shares of TZS 100,000/- each.

As at 31st December 2011, the paid up capital of the company consists of 3,350 ordinary shares of TZS 100,000/- each and were held by the following shareholders:-



**BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011**

DIRECTORS' REPORT

Dear Members,

Your directors' have pleasure in presenting their report along with the Audited Financial Statements for the financial year ended on 31st December 2011, which disclose the State of Affairs of your company.

INCORPORATION

The company is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania.

VISION

- ✓ To be one of the internationally respected and professionally managed companies in the African Continent.
- ✓ To spread our wings to other parts of the globe.

MISSION

- ✓ To increase and sustain the living standards of Africans by providing them with essential products and services of global quality at affordable prices.
- ✓ To exceed the Customers' expectations through innovation and harnessing technology.

PRINCIPAL ACTIVITIES

The principal activities of the company are production of Drinking Water, Ice Cream and Other Milk products, Fresh Juice drinks, Carbonated Soft Drinks and extraction of pulps and juices from fresh farm fruits.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of company at the date of this report and who served the company during the financial year 2011, except otherwise stated are:-

Name	Position	Age	Nationality
Mr. Said Salim Awadh Bakhresa	Managing Director	64 Years	Tanzanian
Mrs. Fathiya Ahmed	Director	56 Years	Tanzanian
Mr. Abubakar Said Salim	Director	36 Years	Tanzanian



BAKHRESA FOOD PRODUCTS LIMITED
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BAKHRESA FOOD PRODUCTS LIMITED
ANNUAL REPORT & FINANCIAL STATEMENTS 2011

CORPORATE INFORMATION

➤ **REGISTERED OFFICE**

Plot No.1, Block 15
Livingstone, Aggrey Street,
P.O.Box-2517,
Dar es Salaam

➤ **BOARD OF DIRECTORS**

- Mr. Said Salim Awadh Bakhresa
- Mr. Abubakar Said Salim Bakhresa
- Mrs. Fathiya Ahmed

➤ **BANKERS**

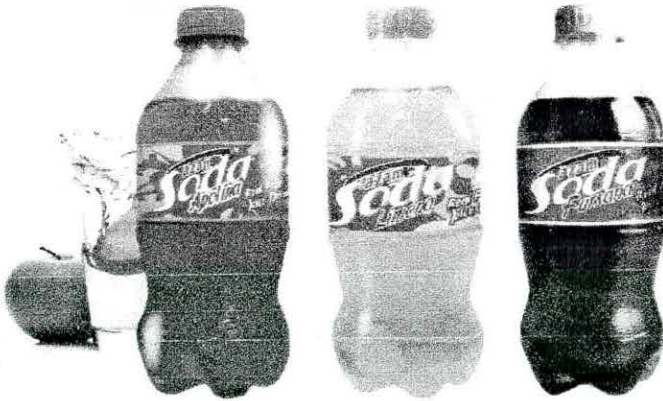
- National Microfinance Bank Plc
- Standard Chartered Bank (Tanzania) Limited
- Bank M Tanzania Limited
- Kenya Commercial Bank Limited
- National Bank of Commerce Limited

➤ **AUDITORS**

M/s Baker Tilly DGP & Co.
Certified Public Accountants
P.O.Box-1314, Dar es Salaam

azam
Cola

Ladha ya kweli



ANNUAL REPORT

2011

BAKHRESA FOOD PRODUCTS LIMITED

P.O. Box 2517, Dar Es Salaam.

Ice Cream



Fruit juice



Bottled water



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

(v) Financial transaction with related parties during 2012

	2012 Tshs.	2011 Tshs.
The related parties are as follows		
Said Salim Bakhresa & Co. Ltd (Paid on behalf)	1,202,792,000	Nil
Said Salim Bakhresa & Co. Ltd (Received on behalf)	2,289,000,000	Nil

(vi) Directors' remuneration

	2012 Tshs.	2011 Tshs.
The remuneration to directors were as follows:		
Directors Gross Emoluments	1,200,000,000	600,000,000
Directors Fees – Executive	17,200,000	17,200,000
Directors Fees - Non-executive	2,800,000	2,800,000

(vii) Directors' Loan during the year 2012

	2012 Tshs.	2011 Tshs.
The Director Loan as follows :		
Mr. Said Salim Awadh Bakhresa	2,000,000,000	2,800,000,000

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

25 RELATED PARTY TRANSACTIONS & BALANCES

(i) Sale of goods and services

	2012	2011
	Tshs.	Tshs.
Azam Bakeries Company Ltd.	307,021,000	465,101,000
Said Salim Bakhresa & Co. Ltd.	692,634,000	36,940,000

(ii) Purchase of goods and services

	2012	2011
	Tshs.	Tshs.
Purchase of goods		
Omar Packaging Industries Ltd	9,203,059,000	5,490,230,000
Said Salim Bakhresa & Co. Ltd.	8,523,155,000	2,546,258,000
Azam Bakeries Company Limited	134,400,000	201,574,000
Reliable Property Developers Ltd	63,612,000	101,893,000
Tacona Holdings Ltd	272,160,000	269,679,000
SatAfrik Tanzania Ltd	Nil	358,000

(iii) Payable to related parties

	2012	2011
	Tshs.	Tshs.
Payable to related parties		
Azam Marine Company Limited	Nil	790,000,000
Bakhresa Grain Milling (U) Ltd.	Nil	2,289,001,000
Omar Packaging Industries Limited	3,824,714,000	2,698,860,000
Said Salim Bakhresa & Co. Limited	5,591,396,000	NIL
Kilimanjaro Fast Ferries Loan	1,000,000,000	

(iv) Receivable from related parties

	2012	2011
	Tshs.	Tshs.
Receivable from related parties		
Azam Dairy Products Limited	171,411,000	Nil
Reliable Property Developers Ltd	Nil	826,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

(v) Habib African Bank Limited

The term loan sanctioned during the year was for US \$ 1,500,000

The loan is secured by providing a personal guarantee given by Mrs Fathiya Ahmed ,
Director

(vi) Syd Bank A/S

The term loan sanctioned during the year was Euro 3,755,388.

The loan is secured by an unconditional and irrevocable on demand guarantee given by SSB
& Co ltd

(b) The maturity of the non-current borrowings is as follows:-

	2012	2011
	Tshs.	Tshs.
Between 1 and 2 years	21,737,883,000	2,011,201,000
Between 2 and 5 years	24,632,966,000	40,364,783,000

In the opinion of the directors, the carrying amounts of borrowings approximate to their fair values. Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the directors expect would be available to the company at the balance sheet date.

23 CAPITAL COMMITMENT

The capital commitments with regard to ongoing projects as on 31st December, 2012 was Tshs 1.849 Bn

24 CONTINGENT LIABILITIES

The Company has no contingent Liability as on 31.12.2012.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

- c) Legal mortgage over Plot No. 4A i.n.o Bakhresa Food Products Ltd., located at Vingunguti area, DSM to be registered to cover full market price.
- d) Legal mortgage over Plot No. 4C i.n.o Bakhresa Food Products Ltd., located at Vingunguti area, DSM to be registered to cover full market price.
- e) Legal mortgage over Plot No. 5 Block 74, Mchikichi Street, Dar es Salaam i.n.o Bakhresa Food Products Ltd., to be registered to cover full market price.
- f) Legal mortgage over Plot No. 33 Block 56, Mahiwa Street, Dar es Salaam i.n.o Reliable Property Developers Ltd., to be registered to cover full market price.
- g) Cross company guarantee from Reliable Property Developers Ltd
- h) Legal mortgage over Plot No.883 Mwandege Area in Mkuranga District, Coast Region i.n.o Bakhresa Food Products Ltd., to be registered to cover full market price.
- i) Personal Guarantee from Mr. Said Salim Awadh Bakhresa.

(ii) Standard Chartered Bank Tanzania Limited (SCB T Ltd):

The total term loan sanctioned by SCB T Ltd amounts to USD 7.0 million. Further it has provided overdraft facility of USD 1.0 million and Import finance limit of USD 2.0 million. The securities provided to NMB Plc will be shared parri pasu with SCB T Ltd.

(iii) Bank M (Tanzania) Limited.

The total term loan sanctioned by Bank M (Tanzania) Limited amounts to USD 1.450 million. The loan is secured by the following:-

1. Extension of charge of Mortgage over property on plot no 2 & 3, Block 59, Kariakoo Area, Dar es Salaam City with Certificate of the Title No 78554. The property is registered in the name of Reliable Property Developers Limited.
2. Corporate Guarantee of Reliable Property Developers Limited.

(iv) Commerzbank Aktiengesellschaft

The total term loan sanctioned by Commerzbank Aktiengesellschaft amounts to EUR 4,583,863 and has been registered by the Bank of Tanzania.

The Loan is secured and supported by Guarantee from SSB & Co. Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

22 BORROWINGS

	2012 TShs.	2011 TShs.
Bank and other borrowings (a)	62,904,365,000	58,591,857,000
Less: Current portion	(16,533,516,000)	(16,215,872,000)
Due after more than 12 months (b)	<u>46,370,849,000</u>	<u>42,375,985,000</u>

(a) This is made up as follows:

	2012 TShs.	2011 TShs.
National Microfinance Bank (i)	30,315,877,000	30,276,632,000
Standard Chartered Bank Tanzania Ltd (ii)	9,637,663,000	9,799,418,000
Bank M Tanzania Limited (iii)	1,469,630,000	2,011,202,000
Commerzbank AG (iv)	5,734,636,000	7,452,750,000
Habib African Bank limited (v)	2,171,147,000	Nil
Syd Bank (vi)	7,402,559,000	Nil
Other borrowings	6,172,853,000	9,051,855,000
	<u>62,904,365,000</u>	<u>58,591,857,000</u>

(i) National Microfinance Bank Plc (NMB Plc):

The total term loan sanctioned by NMB Plc amounts to TZS 23.0 billion. Further it has provided overdraft facility of TZS 12.0 billion and a Post Import Loan limit of USD 3.50 million.

The loan is secured by the following:-

- a) Debenture over fixed and floating assets of the company to cover total facilities by 130%.
- b) Chattel mortgage over the 3 Blow Moulding Machines, Ice Cream processing plant, P.E.T recycling machineries, 1 Ltr Tetra Pak filling line and Coconut pasteurizer, Netstal Injection Moulding machine, Kronas Filling lines, Sacmi Imola cap moulding machines and 10 Volvo Trucks.

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	Tshs.	Tshs.
18 Trade & Other payables		
Sundry Creditors	27,609,781,773	22,437,576,436
Short Term Advance	-	-
Advance from customers	965,586,506	5,075,645,199
	28,575,368,279	27,513,221,635
 19 Bank overdraft		
National Bank of Commerce - Tsh A/c	(48,055,522)	(37,734,222)
National Bank of Commerce - Usd A/c	(46,036,284)	(34,851,182)
Short term Post Import Loan NMB	2,230,549,200	-
Short term Post Import Loan SCB	1,701,849,600	-
NMB O/D A/c	11,398,168,810	14,832,535,296
Standard Chartered Bank - Tsh A/c	176,008,553	619,624,713
Standard Chartered Bank - Usd A/c	1,026,938,901	763,711,723
	16,439,423,259	16,143,286,328
 20 Due to associate companies		
Omar Packaging Industries Ltd	3,824,714,136	2,698,860,762
Said Salim Bakhresa & Co. Ltd	5,591,396,622	-
	9,416,110,758	2,698,860,762
 21 Provisions & Accruals		
Liability for Expenses	105,567,842	85,077,120
Liability for Taxes	114,494,858	85,344,063
Vat Payable	1,368,997,919	830,934,856
Arrear Excise payable	1,254,538,074	334,756,276
Excise Duty Payable	1,153,446,325	4,693,725,384
Penal Interest on Excise (assessed)	-	48,270,191
Audit Fees Payable	12,956,000	12,956,000
Prepaid Income	120,813,120	-
	4,130,814,138	6,091,063,890

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

15 Cash & Cash equivalent		
Cash	917,584,003	75,919,919
Bank M Tanzania Ltd - Tzs	983,512,563	259,375,000
Bank M Tanzania Ltd - Usd	135,848	52,188,980
Kenya Commercial Bank Ltd. - Tzs	433,271,827	397,965,695
Kenya Commercial Bank Ltd.- Usd	794,369,000	305,172,418
Diamond Trust Bank Ltd.	-	-
National Microfinance Bank - 488	1,989,570,082	213,467,264
National Microfinance Bank- 487	154,313,275	84,248,981
National Microfinance Bank-489	63,157,721	175,792,234
National Microfinance Bank - 017	143,088,734	1,133,494,149
National Microfinance Bank - 002	11,509,179	4,746,044
National Microfinance Bank - 784	12,891,866	
National Microfinance Bank - 018	130,016,573	
National Microfinance Bank - 060	39,762,722	
Habib African bank	2,262,781	
	<u>5,675,446,175</u>	<u>2,702,370,684</u>
16 Share Capital		
Authorise Share capital of 5,000 ordinary shares of Tshs. 100,000 each.	500,000,000	500,000,000
Paid up share capital of 3,350 shares of Tshs.100,000 each.	335,000,000	335,000,000
17 Long Term Loan		
<i>Secured</i>		
Bank M Tanzania Ltd. - Loan A/c	1,469,630,569	2,011,201,971
Commerz Bank AG Loan A/c	5,734,636,527	7,452,750,286
NMB Term Loan A/c	16,687,158,612	15,444,097,473
SCB- Term Loan A/c	6,732,864,965	8,416,081,214
Habis african Loan	2,171,146,667	
SYDBANK LOAN	7,402,558,980	
<i>Unsecured</i>		
Azam Marine Co. Ltd. Loan A/c	-	790,000,000
Said Salim Awadh Bakhresa Loan A/c	2,000,000,000	2,800,000,000
Rainbow International FZCO	3,172,853,300	3,172,853,300
Bakhressa Grain Milling (U) Ltd	-	2,289,001,363
Kilimanjaro Fast Ferry Loan a/c	1,000,000,000	
fair Value adjustment of Unsecured liabilities	(903,400,000)	-
	<u>45,467,449,620</u>	<u>42,375,985,608</u>

BAKHRESA FOOD PRODUCTS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	Tshs.	Tshs.
11 Investment		
Tacona Holdings Limited - Shares	274,414,162	274,414,162
	<u>274,414,162</u>	<u>274,414,162</u>
12 Inventory		
Rawmaterial	15,756,596,626	15,953,036,396
Work in progress	458,214,550	322,733,006
Finished goods	3,394,729,478	4,374,663,828
	<u>19,609,540,654</u>	<u>20,650,433,230</u>
13 Trade & Other receivables		
Debtors	971,170,420	321,071,560
Advance to suppliers	13,942,560,770	6,369,026,573
Azam Diary products	171,411,167	
	<u>15,085,142,357</u>	<u>6,690,098,133</u>
14 Deposit & Advances		
Staff Advance & Loans	17,339,863	14,849,872
Input Vat 2012	79,702,788	439,222,939
Import duty	2,655,000	205,856,910
Other Custom Charges	-	18,482,769
Prepaid Expenses	1,591,220	17,259,375
Prepaid Insurance	66,028,200	486,774
Prepaid Rent	107,899,156	129,358,459
Withholding Tax Receipts	13,071,406	444,046
Deposits	451,058,950	384,629,131
Advance tax 2012	250,000,000	
	<u>989,346,582</u>	<u>1,210,590,275</u>

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012 Tshs.	2011 Tshs.
9 Tax expense		
Tax provision for current year (Alternate minimum tax)	529,944,040	292,424,539
Tax provision for previous year	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	6,245,638,355	2,917,847,026
	6,775,582,396	3,210,271,565
<u>Working showing tax for current year</u>		
Accounting Profit	20,589,134,706	9,520,856,255
Tax at applicable tax rate of 30% p.a.	6,176,740,412	2,856,256,879
<i>Tax effect of expenses that are not deductible in determining taxable profits:-</i>		
Telephone expenses	1,835,289	1,962,975
Motor vehicle expenses	7,019,452	2,808,823
Travelling expenses	3,843,810	4,154,787
Penal Interest on Excise	-	14,481,057
Donation	135,000	150,000
Work permit	56,064,392	38,032,506
Deferred tax adjustments	-	-
Alternate Minimum Tax	529,944,040	292,424,539
	6,775,582,396	3,210,271,565

10 Deferred tax

Deferred tax is calculated on all temporary differences under the liability method using an effective tax rate of 30% (year 2008-30%).

	AS AT 1/1/2012	Charge to P & L	EQ	AS AT 12/31/2012
Deferred tax liability				
Property plant & equipment				
- accelerated capital allowance	9,930,584,184	4,738,739,834	-	14,669,324,018
- revaluation	-	-	-	-
	9,930,584,184	4,738,739,834	-	14,669,324,018
Deferred tax asset				
* Carry forward loss	1,824,687,249	(1,506,898,521)	-	317,788,729
other timing difference	-	-	-	-
	1,824,687,249	(1,506,898,521)	-	317,788,729

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

8 FIXED ASSETS COST	Motor Vehicles Class II	Motor Vehicles Class I	Capital Work in Progress	Total
COST				
At 1st January 2011	2,844,197,352	511,780,349	15,906,009,974	80,836,857,937
Addition	4,814,200,176	106,419,688	22,249,630,984	64,197,298,962
Disposal	-	-	(15,906,009,974)	(15,906,009,974)
At 1st January 2012	7,658,397,528	618,200,037	22,249,630,984.00	129,128,146,925
Addition	5,706,605,393	322,493,656	5,154,787,824	56,586,797,683
Disposal	-	-	(22,249,630,984)	(22,249,630,984)
At 31st December 2012	13,365,002,921	940,693,693	5,154,787,824	163,465,313,624
Comprising:				
At Cost	13,365,002,921	940,693,693	5,154,787,824	163,465,313,624
At Valuation 2012	-	-	-	-
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 1st January 2011	1,473,785,743	355,870,796	-	19,435,464,644
Depreciation for the period	1,114,590,250	88,409,881	-	8,397,455,203
At 1st January 2012	2,588,375,993	444,280,677	-	27,832,919,847
Depreciation for the period	2,060,428,480.11	129,438,434.21	-	14,015,526,734.87
At 31st December 2012	4,648,804,473	573,719,111	-	41,848,446,582
CARRYING AMOUNT				
AT 31ST DECEMBER 2012	8,716,198,447	366,974,582	5,154,787,824	121,616,867,042
AT 31ST DECEMBER 2011	5,070,021,535	173,919,360	22,249,630,984	101,295,227,078

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

8	FIXED ASSETS COST	Land & Factory Buildings	Plant & Machinery	Furniture, Fixtures	Electrical Equipment	Computer
	COST					
	At 1st January 2011	6,442,943,452	54,396,096,691	275,222,253	460,607,866	-
	Addition	8,330,073,228	28,544,558,701	59,907,225	92,508,960	-
	Disposal	-	-	-	-	-
	At 1st January 2012	14,773,016,680	82,940,655,392	335,129,478	553,116,826	-
	Addition	6,665,351,527	38,206,115,210	92,187,291	418,653,078	20,603,704
	Disposal	-	-	-	-	-
	At 31st December 2012	21,438,368,207	121,146,770,602	427,316,769	971,769,904	20,603,704
	Comprising:					
	At Cost	21,438,368,207	121,146,770,602	427,316,769	971,769,904	20,603,704
	At Valuation 2012	-	-	-	-	-
	ACCUMULATED DEPRECIATION AND IMPAIRMENT					
	At 1st January 2011	516,957,147	16,831,875,095	117,819,658	139,156,205	-
	Depreciation for the period	423,791,837	6,703,148,584	21,969,482	45,545,169	-
	At 1st January 2012	940,748,984	23,535,023,679	139,789,140	184,701,374	-
	Depreciation for the period	614,248,970	11,102,567,036	31,761,075	72,609,123	4,473,615
	At 31st December 2012	1,554,997,954	34,637,590,715	171,550,215	257,310,497	4,473,615
	CARRYING AMOUNT					
	AT 31ST DECEMBER 2012	19,883,370,253	86,509,179,887	255,766,554	714,459,407	16,130,089
	AT 31ST DECEMBER 2011	13,832,267,696	59,405,631,713	195,340,338	368,415,452	-

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012.

	2012	2011
	Tshs.	Tshs.
6 Selling & Distribution cost		
Salaries for Selling & Dist.	874,446,368	366,723,631
NSSF Contribution for selling & Dist. Employees	35,408,976	27,513,338
SDL on Salaries for Selling & Dist.	52,466,782	23,843,418
Selling & Distribution Expenses	118,368,811	84,053,475
Motor Vehicle Running Expenses	2,105,835,728	842,646,841
Electricity Charges - Shops	1,623,963	4,313,209
Advertisement	70,102,500	19,353,949
	<u>3,258,253,128</u>	<u>1,368,447,861</u>
7 Finance cost		
Bank Charges	752,983,100	404,188,929
Foreign Exchange Gain/(Loss)	1,590,739,615	2,616,263,356
Unrealised gain	(27,995,365)	
Interest on loan from others		67,000,000
Interest on Overdraft	1,063,128,654	513,857,209
Interest on Termloan	2,610,095,258	1,615,439,676
	<u>5,988,951,262</u>	<u>5,216,749,169</u>

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012.

	2012	2011
	Tshs.	Tshs.
5 Administrative expenses		
Audit fees	12,956,000	12,956,000
Canteen Expenses	-	12,902,000
City Service Levy	253,809,420	137,561,220
Directors Fees	20,000,000	20,000,000
Donation	450,000	500,000
Insurance	240,297,624	147,173,391
Laboratory Expenses	6,472,700	1,695,331
Other employees benefits	5,948,281	15,558,637
License & Fees	76,060,853	25,930,704
Medical Reimbursement	33,317,740	24,724,019
Membership & subscription	12,595,424	-
Penal Interest On excise	-	48,270,191
Postage and Courier Charges	4,337,574	10,598,169
Professional fees	23,148,979	
Printing & Stationery	74,443,495	43,087,155
Rent, Rates & Taxes	451,039,955	236,843,810
R & M Electrical Equipment	3,920,850	4,895,365
R&M Office equipment	22,571,027	34,893,204
R&M - Others	35,545,392	19,162,558
Security Charges	178,517,852	71,146,708
Salaries for Office & Admin.	2,040,374,860	1,100,170,894
NSSF contribution Office & Admin. Employees	89,066,372	82,540,013
Skills & Development levy	144,222,864	71,530,253
Sewerage Charges	11,690,985	10,667,481
Staff Welfare Expenses	54,036,851	41,828,100
Stamp Duty	5,810,803	
Telephone charges	30,588,157	32,716,243
Travelling Expenses	128,127,011	138,492,903
Vehicle Maintenance	233,981,747	93,627,427
Work Permit Expenses	186,881,308	126,775,020
	<u>4,380,214,125</u>	<u>2,566,246,795</u>

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012.

	2012 Tshs.	2011 Tshs.
4 Cost of sales		
R.M. Stock & W.I.P. (Opening)	16,275,769,401	5,136,712,188
Add: Purchases & Related cost	96,541,465,535	67,165,340,278
	112,817,234,936	72,302,052,466
Less: R.M. Stock , Consumables & W.I.P. (Closing)	16,214,811,176	16,275,769,402
Consumed for Production	96,602,423,760	56,026,283,064
<i><u>Manufacturing Expenses</u></i>		
Electricity, Fuel & Gas Charges	12,001,286,122	6,158,767,253
Material Handling Charges	190,593,211	148,908,052
R&M Plant & Machinery	2,067,037,394	1,939,967,621
Wages and Related expenses	3,261,741,075	2,200,341,788
NSSF Contribution for factory employees	256,174,109	165,080,026
SDL on Factory Wages & Salaries	195,704,465	143,060,505
Refuse collection	154,171,300	115,812,500
Excise Duty	12,093,042,855	6,802,995,610
Factory Rent	252,000,000	231,299,870
R & M Buildings	389,335,144	149,339,663
Dep. On Factory Building	614,248,970	423,791,837
Dep. On Plant & Machinery	11,102,567,036	6,703,148,584
Total cost of production	139,180,325,442	81,208,796,374
Add: - Opening stock of FG	4,374,663,828	697,898,887
Less: - Closing stock of FG	3,394,729,478	4,374,663,828
Total cost of sales	140,160,259,792	77,532,031,433

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

3.2 FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via strictly credit terms.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$") and Euros. In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$") and Euros. As a result, it is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. The company is exposed to foreign currency risk, as its raw material and packing material is imported from outside and is subject to currency fluctuations.

Interest rates and liquidity risk

Fluctuation in interest rates has impact on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. The company has availed long term and short term funding from the banks. The interest rates are dependent upon the market conditions and are subject to change. The said change can affect the profitability of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

J. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowing costs are expensed in the period they accrue unless they can be related, with certainty, to fixed assets construction projects in which case they are capitalised as part of the asset's cost.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K TAXATION

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

M. PROVISIONS

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period.

Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments received under operating leases are shown under the head 'Other Income'.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

The company has adopted cost model for the valuation of assets as provided in IAS 16, Property, Plant and Equipment.

Depreciation is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life as follows:

	Rate (%)
Factory Buildings & Godown	4.0
Furniture ,Fixture & office equipments	12.50
Machinery, equipment, furniture and fittings	12.50
Motor Vehicles Class I & Computers	37.50
Motor Vehicles Class II	25.00
Electrical Equipments	12.50

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

years presented except for those relating to the classification and measurement of financial instruments.

These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2

B. REVENUE RECOGNITION

Revenue is recognised when the goods are sold and is represented net of VAT.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

D. PROPERTY, PLANT AND EQUIPMENT

Land and buildings comprise mainly the factory building, godown and offices. All property, plant and equipment are shown initially at cost, less subsequent depreciation and impairment. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, 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 reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

b) Standards, Amendments and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for forthcoming periods and the company had not adopted any of these Standards, Amendments or interpretations from an early date. The management does not foresee any major change in the accounting policies of the company due to such amendments.

- IFRS 9 – Financial Instruments (effective from 1st January 2015);
- Amendments to IFRS 9 and IFRS 7 – Mandatory Effective date of IFRS 9 and Transition Disclosures (effective from 1 January 2015)
- IFRS 10 – Consolidated Financial Statements (effective from 1 January 2013)
- IFRS 11 – Joint Arrangements (effective from 1 January 2013)
- IFRS 12 – Disclosure of Interest in other entities (effective from 1 January 2013)
- IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interest in other entities: Transition guidance (effective from 1 January 2013)
- IAS 27 – Separate Financial Statements (as revised in 2011) (effective from 1 January 2013)
- IAS 28 – Investments in Associates and Joint Ventures (as revised in 2011) (effective from 1 January 2013)
- IFRS 13 – Fair Value Measurement (effective from 1 January 2013)
- IAS 19 – Employee benefits (as revised in 2011) (effective from 1 January 2013)
- Amendments to IFRS 1 – Government Loans (effective from 1 January 2013)
- Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)
- Amendments to IAS 1 – Presentation of items of Other Comprehensive income (effective from 1 July 2012)
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- IFRIC 20 Stripping Costs in the Production of Phase of a surface mine Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)

3. SUMMARY OF ACCOUNTING POLICIES

3.1 The principal accounting policies adopted in the preparation of these financial statements are set out below.

A. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in the functional currency, Tanzania Shillings (Tzs). The policies set out below have been consistently applied to all the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

1 GENERAL INFORMATION

Bakhresa Food Products Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The principal activities of the company are disclosed in the Directors Report. The address of its registered office is:

Plot No. 1, Block No. 15
Livingstone/ Aggrey Street,
P O Box 2517,
Dar es Salaam.

And its principal places of business are given below:-

Buguruni Water Plant,
Nelson Mandela Road,
P.O.Box-2517, Dar es Salaam

Fruit Processing Plant
Mbagala, Mkuranga Dist
P O Box 2517, Dar es Salaam

Kipawa Water Plant, Nyerere Road
P O Box 2517
Dar es Salaam.

CSD PLant
Mbagala, Mkuranga Dist
P O Box 2517, Dar es Salaam

Vingunguti Ice Cream Plant,
Nyerere Road, P.O.Box-2517,
Dar es Salaam.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

a) Standards, Amendments to the standards and Interpretations effective in the year 2012

The following new interpretations issued by the IFRIC are mandatory for the accounting periods beginning on or after 1st January 2012:-

- Amendments to IFRS 1 - Severe Hyperinflation (effective from 1 July 2011)
- Amendments to IFRS 1 - Removal of Fixed Dates for First-time adopters (effective from 1 July 2011)
- Amendments to IFRS 7 – Disclosures – Transfer of Financial Assets (effective from 1 July 2011)
- Amendments to IAS 12 – Deferred Tax: Recovery of underlying assets (effective from 1 January 2012)

The adoption of these interpretations and the relevant standards has not led to any change in accounting policy of the company.

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31ST DECEMBER 2012.

	31.12.2012	31.12.2011
	Tshs.	Tshs.
OPERATING ACTIVITY		
Profit for the year	14,716,952,310	6,310,584,690
Less: - adjustments		
Depreciation	14,015,526,735	8,397,455,203
Prior Period Adjustment A/c	20,765,407	(327,162,188)
Income Tax Expenses	6,775,582,396	3,210,271,565
Operating profit before working capital changes	<u>35,528,826,847</u>	<u>17,591,149,271</u>
(Increase) / Decrease in Inventory	1,040,892,576	(14,815,822,155)
(Increase) / Decrease in Trade & Other receivables	(8,395,044,223)	1,518,360,649
(Increase) / Decrease in Deposits & Advances	221,243,693	(433,666,990)
Increase / (Decrease) in Trade & Other payables	1,062,146,644	11,331,213,676
Increase / (Decrease) in Bank overdraft	296,136,931	9,954,066,314
Increase / (Decrease) in Provisions & Accruals	(1,960,249,752)	6,001,050,245
Increase / (Decrease) in Dues to Associated Company	6,717,249,996	(565,912,091)
Cash generated from operations	<u>34,511,202,712</u>	<u>30,580,438,919</u>
Less: -		
Corporate Tax Paid	292,424,539	164,756,047
NET CASH FROM OPERATING ACTIVITY	<u>34,218,778,173</u>	<u>30,415,682,872</u>
INVESTING ACTIVITY		
Purchase of assets	(34,337,166,699)	(48,291,288,989)
NET CASH FROM INVESTING ACTIVITY	<u>(34,337,166,699)</u>	<u>(48,291,288,989)</u>
FINANCING ACTIVITY		
Increase in long term loan	3,091,464,017	16,232,269,403
Allotment of Shares	-	35,000,000
Share Premium	-	4,165,000,000
NET CASH FROM FINANCING ACTIVITY	<u>3,091,464,017</u>	<u>20,432,269,403</u>
NET INCREASE OR DECREASE IN CASH EQUIVALENT	<u>2,973,075,491</u>	<u>2,556,663,286</u>
Cash and cash equivalent at the beginning of the year	<u>2,702,370,684</u>	<u>145,707,398</u>
Cash and cash equivalent at the end of the year	<u><u>5,675,446,175</u></u>	<u><u>2,702,370,684</u></u>


Report of the Independent Auditor - Pages 8 & 9

The notes on page 14 to 34 form an integral part of these financial statements.

The financial statements on page no 10 to 13 were approved by the board of directors and signed on its behalf by:



 Director
 Date



 Director
 Date

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST DECEMBER 2012

	SHARE CAPITAL Tshs.	SHARE PREMIUM Tshs.	RETAINED EARNINGS Tshs.	Total Tshs.
Balance as at 1st January 2011	300,000,000	-	19,340,858,967	19,640,858,967
Profit for the year	-	-	6,310,584,690	6,310,584,690
Allotment of Shares at Premium	35,000,000	4,165,000,000	-	4,200,000,000
Deferred Tax effect on assessment	-	-	(221,887,598)	(221,887,598)
Prior year adjustments	-	-	(327,162,187)	(327,162,187)
Balance as at 1st January 2012	335,000,000	4,165,000,000	25,102,393,872	29,602,393,872
Effect of change in accounting policy	-	-	-	-
Deferred tax liability	-	-	-	-
Error in estimation	-	-	-	-
As restated as on 1st January 2011	335,000,000	4,165,000,000	25,102,393,872	29,602,393,872
Profit for the year	-	-	14,716,952,310	14,716,952,310
Allotment of Shares at premium	-	-	-	-
Deferred Tax effect on assessment	-	-	-	-
Prior year adjustments	-	-	20,765,407	20,765,407
Balance as at 31st December 2012	335,000,000	4,165,000,000	39,840,111,589	44,340,111,589

Report of the Independent Auditor - Pages 8 & 9

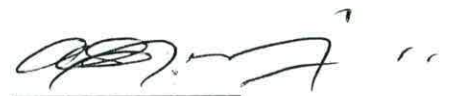
The notes on page 14 to 34 form an integral part of these financial statements.

The financial statements on page no 10* to 13 were approved by the board of directors and signed on its behalf by:

Director
Date



Director
Date



BAKHRESA FOOD PRODUCTS LIMITED
P O BOX 2517 , DAR ES SALAAM

STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2012

ASSETS	Notes	2012 Tshs.	2011 Tshs.
<i>NON-CURRENT ASSETS</i>			
Property, Plant & Equipments	8	121,616,867,042	101,295,227,082
Deferred tax asset	10	317,788,729	1,824,687,251
Investment in Shares	11	274,414,162	274,414,162
		<u>122,209,069,933</u>	<u>103,394,328,495</u>
<i>CURRENT ASSETS</i>			
Inventory	12	19,609,540,654	20,650,433,230
Trade & other receivables	13	15,085,142,357	6,690,098,133
Deposits & Advances	14	989,346,582	1,210,590,275
Cash & Cash equivalent	15	5,675,446,175	2,702,370,684
		<u>41,359,475,768</u>	<u>31,253,492,323</u>
TOTAL ASSETS		<u>163,568,545,701</u>	<u>134,647,820,818</u>
 CAPITAL & LIABILITIES			
<i>CAPITAL & RESERVES</i>			
Share capital	16	335,000,000	335,000,000
Share Premium		4,165,000,000	4,165,000,000
Retained earnings		39,840,111,590	25,102,393,873
		<u>44,340,111,590</u>	<u>29,602,393,873</u>
<i>NON-CURRENT LIABILITY</i>			
Long term loan	17	45,467,449,620	42,375,985,608
Deferred tax liability	10	14,669,324,018	9,930,584,184
		<u>60,136,773,638</u>	<u>52,306,569,792</u>
<i>CURRENT LIABILITIES</i>			
Trade & other payables	18	28,575,368,279	27,513,221,635
Bank overdraft & Post Imp Loan	19	16,439,423,259	16,143,286,328
Current Tax	9	529,944,040	292,424,539
Dues to associate companies	20	9,416,110,758	2,698,860,762
Provisions & accruals	21	4,130,814,138	6,091,063,890
		<u>59,091,660,474</u>	<u>52,738,857,153</u>
TOTAL LIABILITY		<u>163,568,545,701</u>	<u>134,647,820,818</u>

Report of the Independent Auditor - Pages 8 & 9

The notes on page 14 to 34 form an integral part of these financial statements.

The financial statements on page no 10 to 13 were approved by the board of directors and signed on its behalf by:



Director

Date



Director

Date

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2012

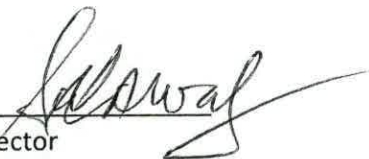
		2012 Tshs.	2011 Tshs.
	Notes		
Revenue		176,648,013,433	97,474,846,294
Cost of sales	4	140,160,259,792	77,532,031,433
Gross profit		<u>36,487,753,641</u>	<u>19,942,814,861</u>
Other income		27,510,308	-
		<u>36,515,263,949</u>	<u>19,942,814,861</u>
Less Expenses:-			
Administrative expenses	5	4,380,214,125	2,566,246,795
Selling & Distribution expenses	6	3,258,253,128	1,368,447,861
Finance cost	7	5,988,951,262	5,216,749,169
		<u>13,627,418,515</u>	<u>9,151,443,825</u>
Profit before depreciation		22,887,845,434	10,791,371,037
Depreciation	8	2,298,710,728	1,270,514,782
Profit before tax		<u>20,589,134,706</u>	<u>9,520,856,255</u>
Interest adjustment on Fair Value of Unsecured liabilities		903,400,000	-
		<u>21,492,534,706</u>	<u>9,520,856,255</u>
Less: - Tax expense	9	6,775,582,396	3,210,271,565
Net profit / (Loss) for the period		<u><u>14,716,952,310</u></u>	<u><u>6,310,584,690</u></u>

Report of the Independent Auditor - Pages 8 & 9

The notes on page 14 to 34 form an integral part of these financial statements.

The financial statements on page no 10 to 13 were approved by the board of directors and signed on its behalf by:

Director
Date



Director
Date



Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the financial position of the Company as at December 31st 2012 and of its results and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act, 2002.

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,




Kailas.K.Bhattbhatt
Partner

Place : Dar, Es Salaam
Dated : 22/06/2013



**BAKER TILLY
DGP & CO**

Certified Public Accountants

2nd Floor, Mahavir Building,
Kiwanja Street, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania

T: +255 (0)22 2112128, 2125597
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www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
BAKHRESA FOOD PRODUCTS LIMITED.**

We have audited the accompanying financial statements of M/s BAKHRESA FOOD PRODUCTS LIMITED, set out herewith, which comprises of Statement of financial position as at December 31st 2012, income statement, statement of change in equity and cash flow statement for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act, 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

AUDITORS

The auditors M/s Baker Tilly DGP & Co have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as auditors of the company for the year 2013 will be put to the Annual General Meeting.


ACKNOWLEDGEMENT

Your directors wish to place on records, their sincere thanks and deep sense of appreciation for the overwhelming co-operation and assistance received from the Government of Tanzania, the Tanzania Revenue Authority, Tanzania Port Authority, various other Government and Semi Government organizations, the bankers of the company and last but not the least the employees of the company. The management looks forward for the continued support from all for the coming future.

By Order of the Board



Said Salim Awadh Bakhresa
Managing Director
Dar Es Salaam
Dated:



Abubakar Said Salim
Director
Dar Es Salaam
Dated:

Employees Benefit Plan

The company pays contributions to a NSSF (National Social Security Fund) on mandatory basis which qualifies to be a defined contribution plan.

The average number of employees during the year was 723 (Previous year 656)

RELATED PARTY TRANSACTIONS

The company has made all the related party transactions at arm's length and the details are provided in notes to accounts on Page 33 & 34

POLITICAL AND CHARITABLE DONATIONS

The company does not make any political donations during the year.

CORPORATE SOCIAL RESPONSIBILITY

The company is contributing to the society by providing indigenous food products and other services at affordable prices. Further, the company is proud employer of around 723 employees and the company ensures the mutual benefit of the employees and the business, at all times. Besides, a number of persons are indirectly earning their livelihood on being employed by the company's dealers and sub dealers. The company is regular in payment of its legal liabilities in the form of taxes. The company is making all possible efforts to avoid any kind of loss to the environment. The plastic recycling plant ensures cleaning and conversion of a large quantity of non-degradable plastic waste thus protecting the environment. The machineries used by the company are environment friendly and every effort is being made, to preserve the environment.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud, error and other irregularities.

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

EMPLOYEES' WELFARE

Management and Employees' Relationship

There were continued good relation between employees and the management during the year and there were no unresolved complaints during the year. A healthy relationship continues to exist between management and trade union.

The company is an equal opportunity employer and provides equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regards to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Training Facilities

A system of continued training is inbuilt in the working environment of the company. However, the employees are encouraged to get the additional skills in their line, as and when available and feasible from outside organizations.

Medical Assistance, Health and Safety

The company has strong health and safety measures in place, which ensure that a strong culture of safety prevails at all times. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training and supervision as necessary.

Financial Assistance to Staff

Loan facility is available to all confirmed employees depending upon the assessment and the discretion of the management as to the need and circumstances. Management has established a Revolving Fund, fully managed by the staff representatives.

Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the concerned applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and appropriate training is arranged. It is the policy of the company that training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

the 2012 budget increased Excise Duty on Carbonated Soft Drinks and retained the high levels of Excise Duty on Bottled drinking water.

The rising rate of depreciation of Tanzanian Shillings to US dollars continues to be matter of concern as it directly affects the costing of products. However, the management of the company is making efforts to hedge these risks through better planning and forward contracts etc.

RISK MANAGEMENT AND INTERNAL CONTROL

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

- Efficiency and effectiveness of operations;
- Safeguarding of Company's Assets;
- Compliance with applicable laws and regulations;
- Reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior 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 company's internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the financial year ended 31st December 2012 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings and Management meetings, on regular basis.

SOLVENCY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on going concern basis. The Board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

STOCK EXCHANGE INFORMATION

The company is a private limited company and thus, the shares are not listed in any Stock Exchange.

FUTURE PLANS

The company will continue to improve its profitability through introduction of innovative products, focusing on value added customer services and selective expansion of its divisions while carefully managing both costs and risks. The company will continue to focus on improving productivity and introducing better quality products, to sustain our vision and mission.

Considering the importance of Carbon dioxide as an input in the Carbonated Soft Drinks operations, the company is in the process of finalizing a contract for installation of a complete CO₂ extraction plant at its Mwanenge location to ensure continuous supply of this essential ingredient.

RESULTS AND DIVIDEND

During the year under review, the company earned a Net profit after tax of Tzs 14.71 Billion (Previous year Tzs 6.31 Billion). The Turnover of the company increased from Tzs 97.47 Billion in year 2011 to Tzs 176.65 Billion in 2012

The overall financial position of the company improved substantially with its current ratio improving from 0.59 to 0.70.

The Water Plant operations were satisfactorily carried out and the company could manage to maintain its level of turnover from Water operations, despite increase in prices of Raw Material and stiff competition in the domestic market. The company managed to sell its products to the customer without much increase in selling prices, as part of its mission to provide its products to the people of the country at affordable prices.

The company's Fresh Juice division is working at full swing now and is expected to yield good profits in the coming future. The Ice Cream division is also working efficiently and contributing to the profitability of the company. The Carbonated Soft Drinks division started commercial operations in July 2011 and it is heartening that the products of the company have been well accepted by the consumers. Newer varieties of carbonated drinks and fruit juice products are expected to be introduced in the selling range in the near future.

The company continues to suffer from steep tax rates and high port charges on importation of raw material. Continuous submissions are made to the government authorities to re-consider the taxes and charges, so that the benefit can be passed on to the ultimate consumer, who is currently suffering from high rates of inflation in the country. Instead of providing concessions,

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

All the directors' are having interest in the company to the extent given under the heading 'Capital Structure'. Their interests were fully disclosed at the board meetings.

CORPORATE GOVERNANCE

The Board of Directors consists of three directors. All the directors are involved in day to day operations of the company. The Board takes overall responsibility for the Company, including responsibility of identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board meets at regular intervals. The Board delegates the day to day management of the business to the Managing Director, the Director and the senior management. Senior management is invited to attend the board and management meetings and facilitates the effective control of all the Company's operational activities, as a medium of communication and coordination between the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

MANAGEMENT

The management of the company is under the Managing Director and is organized in following departments:-

- Finance and Administration
- Operations
- Marketing

CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

As at 31st December 2012, the paid up capital of the company consists of 3,350 ordinary shares of TZS 100,000/- each and were held by the following shareholders:-

Name of Shareholder	No. of ordinary shares	
	Current Year	Previous Year
Mr. Said Salim Awadh Bakhresa	1,000	1,000
Mr. Abubakar Said Salim	1,000	1,000
Mrs. Fathiya Ahmed	1,000	1,000
Azam Marine Company Ltd.	350	350
Total	3,350	3,350

DIRECTORS' REPORT

Dear Members,

Your directors' have pleasure in presenting their report along with the Audited Financial Statements for the financial year ended on 31st December 2012, which disclose the State of Affairs of your company.

INCORPORATION

The company is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania.

VISION

- ✓ To be one of the internationally respected and professionally managed companies in the African Continent.
- ✓ To spread our wings to other parts of the globe.

MISSION

- ✓ To increase and sustain the living standards of Africans by providing them with essential products and services of global quality at affordable prices.
- ✓ To exceed the Customers' expectations through innovation and harnessing technology.

PRINCIPAL ACTIVITIES

The principal activities of the company are production of Drinking Water, Ice Cream and Other Milk products, Fresh Juice drinks, Carbonated Soft Drinks and extraction of pulps and juices from fresh farm fruits.

COMPOSITION OF THE BOARD OF DIRECTORS

The directors of company at the date of this report and who served the company during the financial year 2012, except otherwise stated are:-

Name	Position	Age	Nationality
Mr. Said Salim Awadh Bakhresa	Managing Director	65 Years	Tanzanian
Mrs. Fathiya Ahmed	Director	57 Years	Tanzanian
Mr. Abubakar Said Salim	Director	37 Years	Tanzanian

Mr. Ali Saleh Karama, is acting as Company Secretary at the date of this report.

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

CORPORATE INFORMATION

➤ **REGISTERED OFFICE**

Plot No.1, Block 15
Livingstone, Aggrey Street,
P.O.Box-2517,
Dar es Salaam

➤ **BOARD OF DIRECTORS**

- Mr. Said Salim Awadh Bakhresa
- Mr. Abubakar Said Salim Bakhresa
- Mrs. Fathiya Ahmed

➤ **BANKERS**

- National Microfinance Bank Plc
- Standard Chartered Bank (Tanzania) Limited
- Bank M Tanzania Limited
- National Bank of Commerce Limited
- Commerzbank AG
- Habib African Bank
- Syd Bank
- Kenya Commercial Bank Ltd

➤ **AUDITORS**

M/s Baker Tilly DGP & Co.
Certified Public Accountants
P.O.Box-1314, Dar es Salaam

BAKHRESA FOOD PRODUCTS LIMITED
P. O. BOX - 2517, DAR-ES-SALAAM

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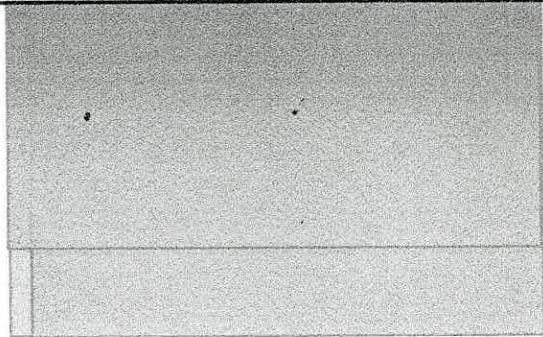


2012



ANNUAL REPORT 2012

BAKHRESA FOOD PRODUCTS LIMITED
P.O. Box 2517, Dar Es Salaam.



BAKHRESA FOOD PRODUCTS LTD
P. O. BOX 2517 DAR ES SALAAM

BALANCE SHEET AS ON 30th SEPTEMBER 2013

	Tshs.
ASSETS	
<u>NON-CURRENT ASSETS</u>	
Property, Plant & Equipments	157,403,456,240
Deferred tax asset	317,788,728
Investment in Shares	<u>274,414,162</u>
	157,995,659,130
<u>CURRENT ASSETS</u>	
Inventory	33,669,920,603
Trade & other receivables	15,138,073,694
Deposits & Advances	1,096,425,533
Advance Tax	4,500,000,000
Cash & Cash equivalent	<u>6,633,638,648</u>
	61,038,058,478
TOTAL ASSETS	<u><u>219,033,717,608</u></u>
CAPITAL & LIABILITIES	
<u>CAPITAL & RESERVES</u>	
Share capital	335,000,000
Share premium	4,165,000,000
Retained earnings	<u>70,630,482,459</u>
	75,130,482,459
<u>NON-CURRENT LIABILITY</u>	
Long term loan	51,265,700,857
Deferred tax liability	<u>14,669,324,000</u>
	65,935,024,857
<u>CURRENT LIABILITIES</u>	
Trade & other payables	51,447,953,666
Bank overdraft	15,076,072,933
Dues to associate companies	7,920,106,536
Provisions & accruals	<u>3,524,077,157</u>
	77,968,210,292
TOTAL LIABILITY	<u><u>219,033,717,608</u></u>

BAKHRESA FOOD PRODUCTS LTD
P. O. BOX 2517 DAR ES SALAAM

INCOME STATEMENT FOR 9 MONTHS ENDING 30th SEPTEMBER 2013

	<u>Tshs.</u>
Revenue	155,020,758,919
Cost of sales	<u>112,919,831,840</u>
Gross profit	42,100,927,079
Less Expenses:-	
Administrative expenses	2,856,648,727
Selling & Distribution expenses	3,193,344,125
Finance cost	<u>3,193,344,125</u>
	9,243,336,977
Profit before depreciation	32,857,590,102
Depreciation	<u>2,067,219,236</u>
Profit before tax	<u><u>30,790,370,866</u></u>

BAKHRESA FOOD PRODUCTS LIMITED

P.O.Box 2517, Dar es Salaam

Fixed Assets schedule		Year 1		Year 2		Year 3		Year 4		Year 5		
	Rate	Cost	Depr	WDV	Depr	WDV	Depr	WDV	Depr	WDV	Depr	WDV
Land	0%	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000
Building	4.00%	4,200,000	168,000	4,032,000	161,280	3,870,720	154,829	3,715,891	148,636	3,567,256	142,690	3,424,565
Plant & Machinery	12.50%	17,263,000	2,157,875	15,105,125	1,888,141	13,216,984	1,652,123	11,564,861	1,445,608	10,119,254	1,264,907	8,854,347
Motor Vehicles	12.50%	6,500,000	812,500	5,687,500	710,938	4,976,563	622,070	4,354,492	544,312	3,810,181	476,273	3,333,908
Furniture & Fix	12.50%	500,000	62,500	437,500	54,688	382,813	47,852	334,961	41,870	293,091	36,636	256,454
		31,463,000	3,200,875	28,262,125	2,815,046	25,447,079	2,476,874	22,970,206	2,180,425	20,789,781	1,920,506	18,869,275

Wear & Tear Allowance		Year 1		Year 2		Year 3		Year 4		Year 5		
	Cost	50%	WDV	12.50%	WDV	12.50%	WDV	12.50%	WDV	12.50%	WDV	
Plant & Machinery	17,263,000	8,631,500	8,631,500	1,078,938	7,552,563	944,070	6,608,492	826,062	5,782,431	722,804	5,059,627	
Motor Vehicles	6,500,000	812,500	5,687,500	710,938	4,976,563	622,070	4,354,492	544,312	3,810,181	476,273	3,333,908	
Furniture & Fix	500,000	62,500	437,500	54,688	382,813	47,852	334,961	41,870	293,091	36,636	256,454	
Building	4,200,000	168,000	4,032,000	161,280	3,870,720	154,829	3,715,891	148,636	3,567,256	142,690	3,424,565	
	28,463,000	9,674,500	18,788,500	2,005,843	16,782,658	1,768,821	15,013,837	1,560,879	13,452,958	1,378,403	12,074,555	

Tax computation

	Year 1	Year 2	Year 3	Year 4	Year 5
Profit before tax	6,556,821	7,685,687	8,681,096	9,532,722	10,226,337
Add Depr - a/cs	3,200,875	2,815,046	2,476,874	2,180,425	1,920,506
	9,757,696	10,500,733	11,157,970	11,713,147	12,146,842
Less: Wear & tear all	9,674,500	2,005,843	1,768,821	1,560,879	1,378,403
Profit/(loss)	83,196	8,494,890	9,389,149	10,152,268	10,768,439
Loss c/f	-	-	-	-	-
Taxable profit/(loss)	83,196	8,494,890	9,389,149	10,152,268	10,768,439
Tax	24,959	2,548,467	2,816,745	3,045,681	3,230,532

BAKHRESA FOOD PRODUCTS LIMITED
P.O.Box 2517, Dar es Salaam

Projected Balance Sheet - Drinking Water Project Unit II

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Fixed Assets - Net Block	28,262,125	25,447,079	22,970,206	20,789,781	18,869,275
Current Assets:					
Stock-in-Trade	6,760,365	12,074,350	17,177,295	22,106,480	26,884,510
Sundry Debtors	1,370,046	1,484,217	1,598,388	1,712,558	1,826,729
Cash & Bank Balances	250,000	300,000	400,000	500,000	500,000
	8,380,412	13,858,567	19,175,683	24,319,038	29,211,239
Current Liabilities:					
Sundry Creditors	8,110,675	8,786,564	9,462,454	10,138,344	10,814,233
Bank - Working Capital finance	700,000	750,000	750,000	750,000	750,000
	8,810,675	9,536,564	10,212,454	10,888,344	11,564,233
Net Current Assets	(430,263)	4,322,003	8,963,229	13,430,695	17,647,006
Total Assets	27,831,862	29,769,082	31,933,434	34,220,476	36,516,280
Financed By:					
Internal resources	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Director's loan	2,500,000	2,000,000	1,500,000	1,000,000	500,000
Associate Company loan	5,000,000	4,500,000	3,500,000	2,000,000	-
Long Term Bank loan	8,800,000	6,600,000	4,400,000	2,200,000	-
Retained Profit	6,531,862	11,669,082	17,533,434	24,020,476	31,016,280
Total Liabilities	27,831,862	29,769,082	31,933,434	34,220,476	36,516,280

Financial Analysis:

Current ratio:	0.95	1.45	1.88	2.23	2.53
Gearing (Term loans / Net worth):	0.76	0.40	0.20	0.08	0.00
Cash payback period:	4.00 years				
ROI (PBT/Investment):	20.84%	24.43%	27.59%	30.30%	32.50%
Gross margin (GP/Sales)	20.00%	20.00%	20.00%	20.00%	20.00%
Net margin (NP/Sales)	9.97%	10.79%	11.31%	11.60%	11.66%

BAKHRESA FOOD PRODUCTS LIMITED

P.O.Box 2517, Dar es Salaam

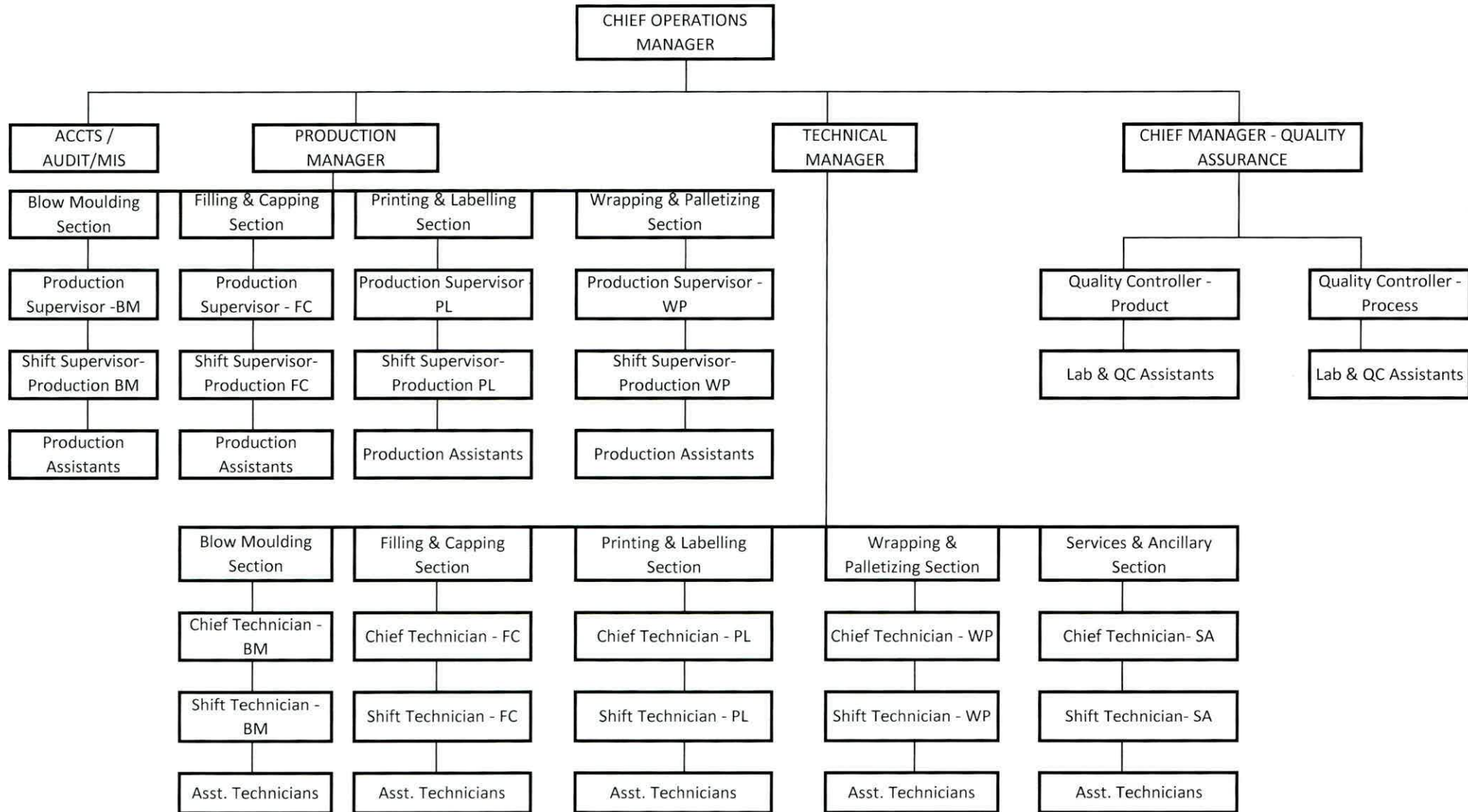
Projected Profit & Loss Account - Drinking Water Project Unit II

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capacity Utilization	60%	65%	70%	75%	80%
Production - Litres per annum (in mill.)	343,440	372,060	400,680	429,300	457,920
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<u>INCOME:</u>					
Sales	65,762,229	71,242,415	76,722,601	82,202,786	87,682,972
Less: Cost of Sales	52,609,783	56,993,932	61,378,080	65,762,229	70,146,378
Gross Profit	13,152,446	14,248,483	15,344,520	16,440,557	17,536,594
<u>EXPENDITURE:</u>					
Administrative Expenses	900,000	990,000	1,089,000	1,197,900	1,317,690
Selling & Distribution Expenses	1,920,000	2,304,000	2,764,800	3,317,760	3,981,312
Finance Charges	574,750	453,750	332,750	211,750	90,750
Depreciation	3,200,875	2,815,046	2,476,874	2,180,425	1,920,506
	6,595,625	6,562,796	6,663,424	6,907,835	7,310,258
Profit before Taxation	6,556,821	7,685,687	8,681,096	9,532,722	10,226,337
Taxation for the year	24,959	2,548,467	2,816,745	3,045,681	3,230,532
Profit after Taxation	6,531,862	5,137,220	5,864,352	6,487,042	6,995,805
Balance carried to next year	6,531,862	11,669,082	17,533,434	24,020,476	31,016,280

BAKHRESA FOOD PRODUCTS LIMITED

UHAI BOTTLED DRINKING WATER PROJECT - UNIT II

ORGANIZATION CHART



ANNEXURE I

Major assumptions used:

- Number of working days per year 300
- VAT on capital goods Deferred as stipulated in law
- Working capital Financed from BFPL internally generated funds/Bank overdraft
- Dividends Based on net revenues and cashflows
- Corporate tax 50% investment allowances in the first year and the balance 50% as per the rates of depreciation in the subsequent years

10.0. Conclusions and Recommendations

In order to take advantage of the current Government policies of encouraging the private sector to take a leading role in the economic activities of the country, BFPL wishes to expand its manufacturing activities so as to capture the ever growing demand in Tanzania and the neighbouring countries.

The project is profitable to the promoters and is economically and socially beneficial to the nation as a whole.

It is, therefore, recommended for approval and support by all concerned. In view of its substantial benefits to the economy of the country, it is the hope of the investors that the Tanzania Investment Centre will approve this project as a strategic investment and grant it the required incentives as stipulated in the Tanzania Investment Act, 1997.

7.1. Organisation Structure:

The existing organization structure will be expanded suitably to accommodate the increased level of operation. An organization structure is shown in **ANNEXURE II**.

8.0. Economic and Social benefits

In addition to good profits, the project will generate for the investors other economic and social benefits as under:

- The project would provide to more and more people of Tanzania with refreshing and healthy fruit drinks at an affordable price.
- The project will generate foreign exchange by exporting the products.
- The project will generate direct employment to 375 Tanzanians.
- The project will increase direct and indirect taxes to the Government.
- The project will generate more than TZS 5.0 billion in excise duty revenue annually for the government.

9.0. Project Implementation Schedule:

The implementation of the project will be supervised by the experienced team of BFPL staff supported by engineers from suppliers of the equipments during the erection and commissioning. The implementation of the project has already started & civil works are being carried out. Negotiations with the suppliers of machineries and equipments have either been finalized or are at an advanced stage.

5.0. PROJECT ENGINEERING

5.1. LOCATION

The plant will be located at plot No 46/4 Nyerere Road, Buguruni Area, Dar es Salaam. The property belongs to the company and is of adequate dimensions to cater to requirements. The location is very good as it is served by main road. It has power, water and telecommunication connections.

5.2. PLANT AND MACHINERY

The main production lines will be supplied by M/s Krones AG Germany, M/s Kosme AG Germany, M/s Sacmi Imola Spa Italy, M/s Husky USA, all reputed vendors of PET moulding and filling lines. In addition the ancillary equipments like boilers, compressors, cooling towers, electrical panels, switch gears and water treatment plant will also be procured from reputed suppliers from across the world.

6.0. COSTS

6.1. FIXED CAPITAL COSTS

The capital costs for the project is estimated at US\$ 31.46 million summarised as follows:

(US\$ in million)

	Local	Foreign	Total
Land and Buildings	6.20	1.00	7.20
Plant and machinery	-	17.26	17.26
Motor Vehicles	6.50	-	6.50
Furniture & Fittings	0.50	-	0.50
TOTAL	13.20	18.26	31.46

7.0. MANPOWER

This project when completed will employ 375 Tanzanians and 15 foreign specialists at an annual wage bill of USD 1,650,000/-. The foreign specialists will be responsible for the operations of key technical and specialized areas which require personnel with specialized qualifications and experience. These experts will also be responsible for training our Tanzanian workforce in order to increase their level of skills to enable them to undertake higher responsibilities.

3.0. The Market and Plant Capacity:

The new project will cater to the market for bottled drinking water in the outer regions of Tanzania which do not have adequate supplies or sources of bottled drinking water. The export market comprising of east, central and southern African countries has also not been tapped although the company has received many enquiries from these markets. The products will be transported to these markets along with the other products of the company.

The plant capacity utilization will be progressively increased as the market coverage grows and the local demand will be fulfilled first before the export market is serviced. Since the new production technology will enable cost reduction in the production process, the company would be offering very competitive prices which are expected to drive the market demand very substantially. The installed plant capacity comprising of very advanced technology equipments shall adequately service the market demand and serve as a deterrent for other investors in this field of activity.

4.0. PLANT INPUTS

4.1. RAW MATERIALS

The main raw material is PET granule which is used for bottle production and HDPE granules for cap production. PET granules are generally procured from Taiwan or India and HDPE from Saudi Arabia and both materials are available in adequate quantity. Water purification agents and filters are imported from U.A.E and European countries. Bottle labels and pack wrapping sheets are produced by an associate company in Dar es Salaam.

4.2. POWER SUPPLY

The plant will depend on TANESCO for its power supply. However, standby generators of 1,500 KVA will be installed to ensure continuous power supply.

4. Bakhresa Food Products Limited-----to set up food processing industry to produce ice cream products, artificial juices and mineral water at Kipawa, Dar es Salaam.
5. Omar Packaging Industries Limited----to set up a plastic packing material manufacturing plant at 110 Nyerere Road, Dar es Salaam.
6. Said Salim Bakhresa & Company Limited--- to expand and set up a new 500 ton wheat mill plant at Plot No.74/1, Nyerere road, Dar es Salaam.
7. Bakhresa Food Products Ltd--- to set up a production unit for fruit juice in Tetra Pak packing at Vingunguti Industrial Area, Dar es Salaam.
8. Bakhresa Food Products Ltd--- to set up Ice Cream production unit at Vingunguti Industrial Area, Dar es Salaam.
9. Said Salim Bakhresa & Company Limited--- to expand and set up a new 500 ton wheat mill plant at Plot No.74/1, Nyerere road, Dar es Salaam.
10. Bakhresa Food Products Limited--to expand the production capacity of Uhai Drinking water and Azam bottled flavoured drink.
11. Bakhresa Food Products Limited – to set up a PET bottle recycling plant at Plot 182 & 183 Mbozi Road, Dar es Salaam.
12. Bakhresa Food Products Limited – to set up a Carbonated Soft Drinks production plant at Mkuranga.

BFPL is a wholly Tanzanian owned company and believes in the future of this country. The current industrial policies are conducive to serious investments and it is with this belief that the management wishes to invest in this expansion project.

It is noteworthy that nearly all the projects approved by Tanzania Investment Centre under Bakhresa Group are successfully running and contributing to the economic growth of Tanzania & providing jobs for the Tanzanian nationals and the rest are being implemented as per schedule.

The Company has got specialists in all the fields. The company has the rich experience of local employees as well as expatriate employees from Kenya, Zimbabwe & India. It has experienced engineers, food technologists, quality controllers, accountants, storekeepers and administrative staff who are well trained in their respective fields.

2.2.4. Financial performance of BFPL

(in T.shs.'000)

<u>Year</u>	<u>Sales</u>	<u>Gross profit</u>	<u>Net profit (Pre-Tax)</u>
2010	54,918,682	14,674,786	7,467,297
2011	97,474,846	19,942,814	9,520,856
2012	176,648,013	36,487,753	20,589,134

2.3. Economic Industrial Policies:

Currently the Government is pursuing policies encouraging the private sector to take a commanding role in the economic development of the country.

Many of the projects of Bakhresa Group are approved by Tanzania Investment Centre which are running successfully and contributing to the economic growth of the country.

The projects previously approved by TIC are given below:

1. Said Salim Bakhresa & Company Limited-----to set up wheat mill at Kipawa, Dar es Salaam
2. Said Salim Bakhresa & Company Limited-----to expand and set up 500 ton wheat mill plant at Mzizima, Dar es Salaam
3. Azam Bakeries Company Limited-----to expand and rehabilitate bakery division of SSBC and set up a new biscuit plant at Kipawa, Dar es Salaam

2.2. Promotors and Owners

2.2.1. The Company:

The project is sponsored by M/S Bakhresa Food Products Limited.

2.2.2. Shareholders and Directors:

BFPL has a paid up share capital of Tshs.335 million and Reserves and Surplus in excess of Tshs 70.0 billion. The capital is held entirely by the members of the family of Mr. Said Salim Awadh Bakhresa & the shareholding is as follows:

- Mr. Said Salim Awadh 29.85%
- Mrs. Fathiya Ahmed 29.85%
- Mr. Abubakar Said Salim 29.85%
- Azam Marine Co. Ltd 10.45%

All the shareholders are Tanzanians and the directors in the company constituting the Board of Directors are Mr. Said Salim Awadh is the Managing Director of the company and Mr. Abubakar Said Salim is the Executive Director.

2.2.3. Industrial experience:

BFPL was incorporated on 15th December 1997 as a private limited liability company in Tanzania. The main business of the company is production of mineral water, juice & ice cream.

Mr. Said Salim Awadh is the Chairman and Managing Director & together with Mr Abubakar Bakhresa manages the policies & day to day affairs of the company.

Mr. Said has got over 30 years of rich experience in business. Mr. Abubakar is a graduate in finance and business administration from Georgetown University in USA and has got the successful track record of implementing five mega projects all of which are running successfully.

2.0. PROJECT BACKGROUND

2.1. Introduction

Bakhresa Food Products Limited (BFPL) was incorporated in 1997 and its business activities comprise of production of bottled mineral water, Fruit juice drinks, Ice creams and carbonated soft drinks. The company operates its manufacturing activities at Plot 4, Vingunguti Industrial Area, Plot 142 Kipawa, Plot 74/1 Nyerere Road, Buguruni, Plot 182 & 183 Mbozi Road, Dar es Salaam and Plot nos. 1 & 2 Mwandege, Mkuranga district.

BFPL is currently the market leader in mineral water & sells its product under the brand name "Uhai". It also manufactures artificial juices of various flavours. The Ice Cream sold under the brand name 'Azam' has seen rapid growth in operations over the past twelve months. The latest addition to the product line has been the bottled carbonated soft drink (CSD) and fruit juice which was introduced in June 2011.

The demand for pure drinking water has grown over the years. The people of Tanzania have gradually become aware of the benefits of consuming purified drinking water to lead a healthy life. This combined with availability of good quality drinking water at very reasonable prices has boosted the demand. It has been felt for some time that even during off peak months from April to August, the plant has to be operated at high capacity and during the peak months from September to March, even the maximum capacity has fallen well short of the demand. This has been the trend despite the fact that much of the unfulfilled demand in regions away from Dar es Salaam and exports have not been catered to.

The number of enquiries from other areas of Tanzania and the neighbouring countries has been growing. After careful deliberations, the company decided to set up another full-fledged production unit adding substantial capacity in order to fulfil the growing demands from the market.

The investments in civil structures, production and ancillary machineries and storage and distribution equipments would be substantial and the company expects very reasonable returns which justify this expenditure.

It is this background that prompted BFPL to consider investing in this project in the newly acquired land in Buguruni.

In summary project highlights are:

1. Description of the Project

To set up a production facility for bottled drinking water involving installation of PET granule processing, bottle blowing, filling and packing machines to cater to the local and export markets at 46/4 Pugu Road, Buguruni Area, Dar es Salaam. The name of the project is "Uhai Drinking Water Project – Unit II".

2. Type of Enterprise

Production facility for Bottled Drinking Water

3. Investment Cost (in million)

Foreign	US\$ 18.46
Local	US\$ 13.00
Total	<u>US\$ 31.46</u>

4. Project Financing (in million)

Loans	US\$ 19.50
Internal funds	US\$ 11.96

5. Source, Terms and Conditions of Loan

- i) Term loan and Overdraft facilities from NMB Ltd and Standard Chartered Bank (T) Ltd.
- ii) Interest free loans from Directors and Associate companies.

6. Technology agreement

None

7. Implementation period

January 2014 to December 2016

8. Operative date

October 2016

1.0. EXECUTIVE SUMMARY

This is an investment proposal by M/S Bakhresa Food Products (BFPL) to set up a production facility for bottled drinking water at Plot no. 46/4 Pugu Road, Buguruni, Dar es Salaam. The project will involve building factory sheds, installing PET bottle production lines, water filtration, filling and packing equipments, building warehousing facilities for raw material and finished goods and setting up an extensive distribution infrastructure.

The project shall cater to the growing demand for pure drinking water in Tanzania and the neighbouring countries. Much of this demand has always existed, but the production and distribution capacity of the company has been insufficient to cater to this demand. There have been increasing demands from the regions away from Dar es Salaam and even export enquiries from the neighbouring countries. Therefore a production capacity equivalent to 48.0 million litres per month in various pack sizes shall be installed under the project.

Excluding additional working capital, the project is estimated to cost US\$ 31.463 million, the major components being, Plant and machinery US\$ 17.263 million, Motor vehicles US\$ 6.50 million, Land & civil construction US\$ 7.20 million and Furniture & fixtures US\$ 0.50 million.

The financing of the capital investment for the project would be by way of credit from banks, advances from Associate companies and internal funds. The additional working capital will be financed partly by BFPL from internal sources and partly by bank overdraft. The expansion will be done in phases so that the production enhancement matches with the build up of support infrastructure. However, the entire project is expected to be complete by October 2016.

The plant is projected is expected to achieve optimum capacity utilization by October 2016. In the first year following the project commissioning the company will earn additional profit of US\$ 6.53 million and after adjusting the capital allowances the Government will earn corporate income tax of approx. US\$ 11.66 million over a period of 5 years.

The project has a lot of other economic and social benefits including that of generating direct employment to more than 375 Tanzanians.

It is therefore financially attractive and economically desirable to warrant the Tanzania Investment Centre's approval and support.

ANNEXURES

ANNEX I MAJOR ASSUMPTIONS USED

ANNEX II ORGANISATION STRUCTURE

ANNEX III PROJECTIONS AND FINANCIAL ANALYSIS

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BAKHRESA FOOD PRODUCTS LIMITED

P.O. BOX 2517 DAR ES SALAAM, TANZANIA

PROJECT REPORT

PROJECT NAME:

UHAI DRINKING WATER PROJECT – UNIT II



December 2013

DAR ES SALAAM

BAKHRESA FOOD PRODUCTS LIMITED

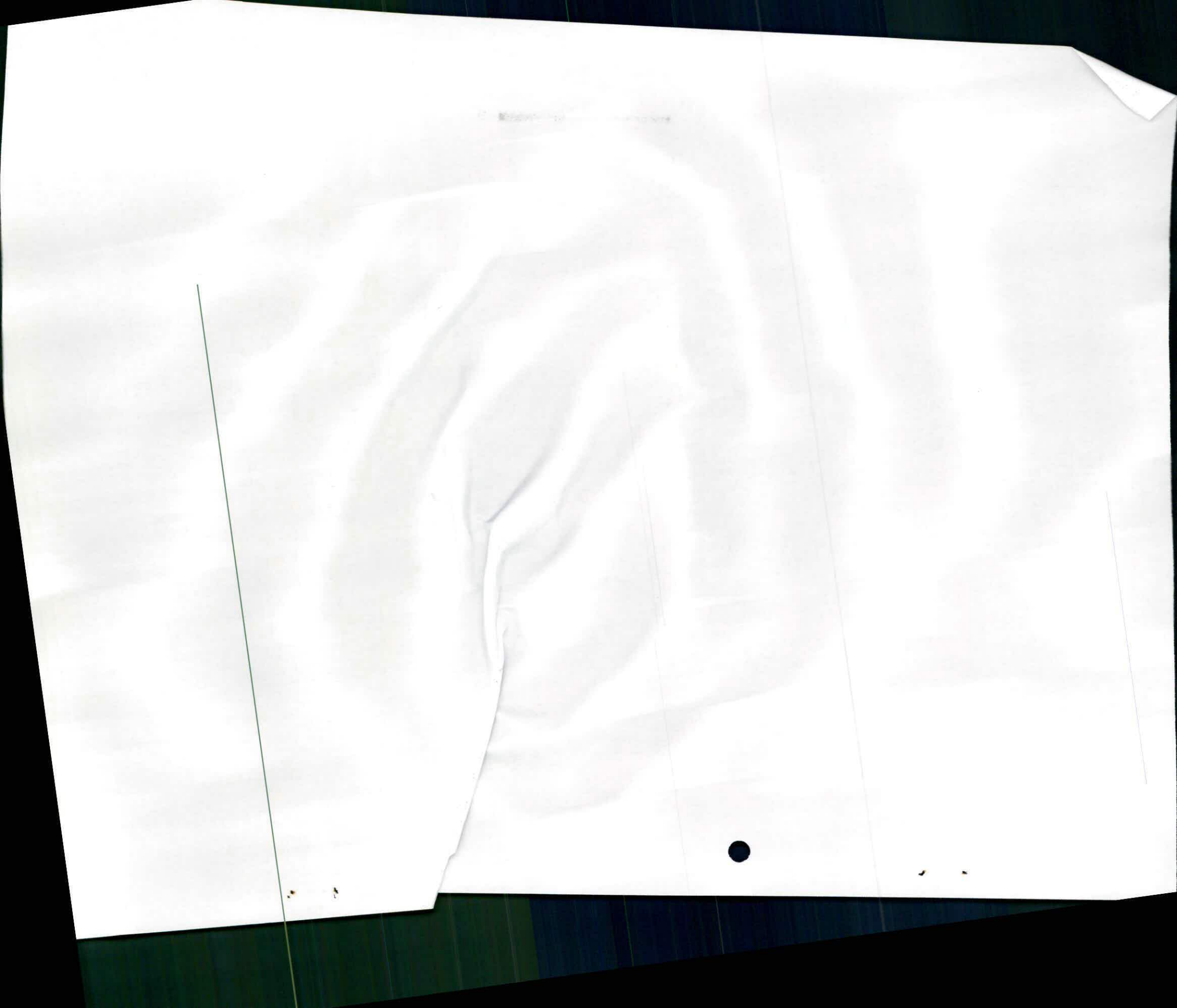
P.O.Box 2517, Dar es Salaam

Fixed Assets schedule		Year 1		Year 2		Year 3		Year 4		Year 5		
	Rate	Cost	Depr	WDV	Depr	WDV	Depr	WDV	Depr	WDV	Depr	WDV
Land	0%	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000	-	3,000,000
Building	4.00%	4,200,000	168,000	4,032,000	161,280	3,870,720	154,829	3,715,891	148,636	3,567,256	142,690	3,424,565
Plant & Machinery	12.50%	17,263,000	2,157,875	15,105,125	1,888,141	13,216,984	1,652,123	11,564,861	1,445,608	10,119,254	1,264,907	8,854,347
Motor Vehicles	12.50%	6,500,000	812,500	5,687,500	710,938	4,976,563	622,070	4,354,492	544,312	3,810,181	476,273	3,333,908
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Wear & Tear Allowance		Year 1		Year 2		Year 3		Year 4		Year 5		
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Tax computation

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BAKHRESA FOOD PRODUCTS LIMITED
P.O.Box 2517, Dar es Salaam

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Current Assets:					
Stock-in-Trade	6,760,365	12,074,350	17,177,295	22,106,480	26,884,510
Sundry Debtors	1,370,046	1,484,217	1,598,388	1,712,558	1,826,729
Cash & Bank Balances	250,000	300,000	400,000	500,000	500,000
	8,380,412	13,858,567	19,175,683	24,319,038	29,211,239
Current Liabilities:					
Sundry Creditors	8,110,675	8,786,564	9,462,454	10,138,344	10,814,233
Bank - Working Capital finance	700,000	750,000	750,000	750,000	750,000
	8,810,675	9,536,564	10,212,454	10,888,344	11,564,233
Net Current Assets	(430,263)	4,322,003	8,963,229	13,430,695	17,647,006
Total Assets	27,831,862	29,769,082	31,933,434	34,220,476	36,516,280
Financed By:					
Internal resources	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Director's loan	2,500,000	2,000,000	1,500,000	1,000,000	500,000
Associate Company loan	5,000,000	4,500,000	3,500,000	2,000,000	-
Long Term Bank loan	8,800,000	6,600,000	4,400,000	2,200,000	-
Retained Profit	6,531,862	11,669,082	17,533,434	24,020,476	31,016,280
Total Liabilities	27,831,862	29,769,082	31,933,434	34,220,476	36,516,280

Ratio Analysis:

Current ratio:	0.95	1.45	1.88	2.23	2.53
Gearing (Term loans / Net worth):	0.76	0.40	0.20	0.08	0.00
Cash payback period:	4.00 years				
ROI (PBT/Investment):	20.84%	24.43%	27.59%	30.30%	32.50%
Gross margin (GP/Sales)	20.00%	20.00%	20.00%	20.00%	20.00%
Net margin (NP/Sales)	9.97%	10.79%	11.31%	11.60%	11.66%

BAKHRESA FOOD PRODUCTS LIMITED

P.O.Box 2517, Dar es Salaam

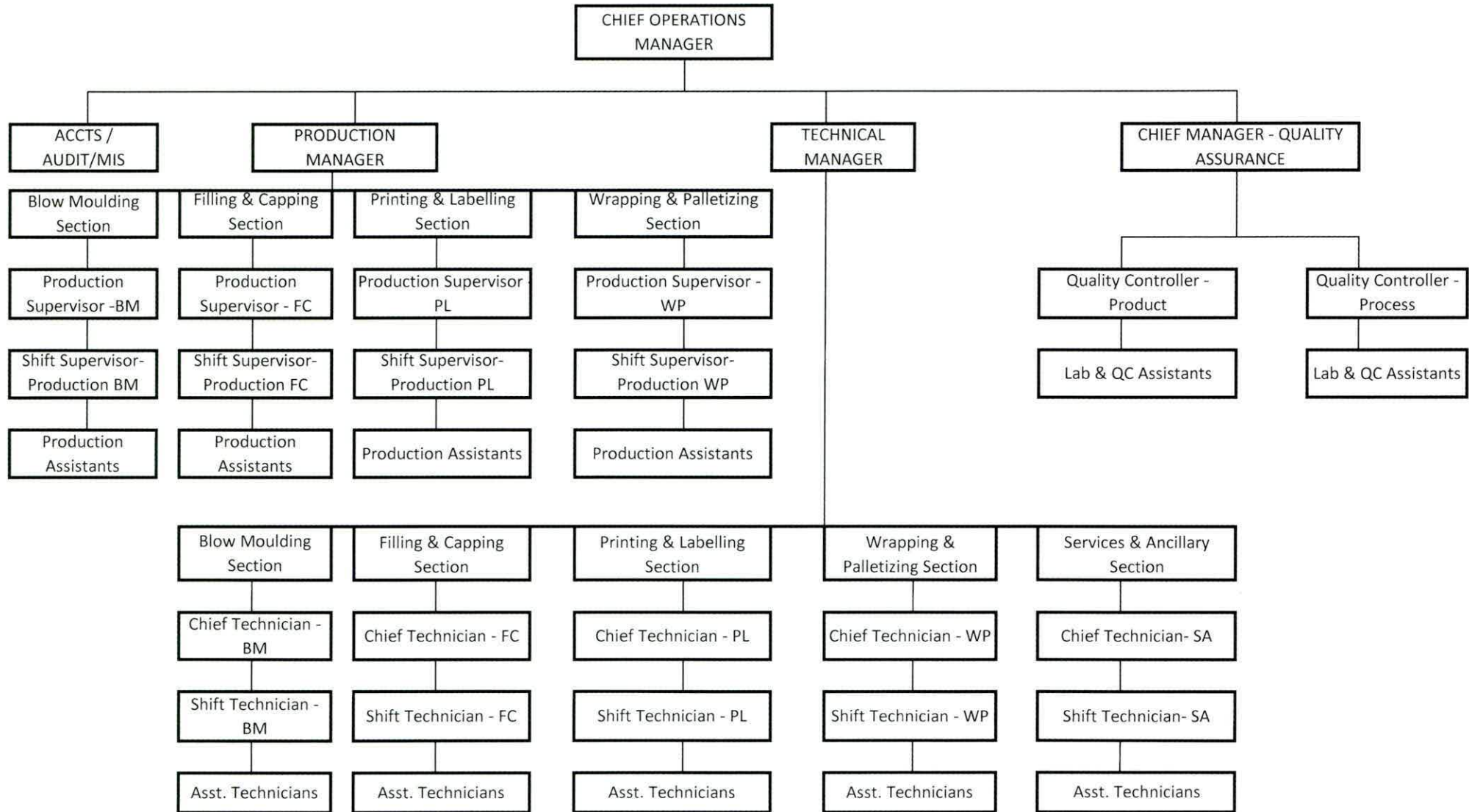
Projected Profit & Loss Account - Drinking Water Project Unit II

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capacity Utilization	60%	65%	70%	75%	80%
Production - Litres per annum (in mill.)	343,440	372,060	400,680	429,300	457,920
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<u>INCOME:</u>					
Sales	65,762,229	71,242,415	76,722,601	82,202,786	87,682,972
Less: Cost of Sales	52,609,783	56,993,932	61,378,080	65,762,229	70,146,378
Gross Profit	13,152,446	14,248,483	15,344,520	16,440,557	17,536,594
<u>EXPENDITURE:</u>					
Administrative Expenses	900,000	990,000	1,089,000	1,197,900	1,317,690
Selling & Distribution Expenses	1,920,000	2,304,000	2,764,800	3,317,760	3,981,312
Finance Charges	574,750	453,750	332,750	211,750	90,750
Depreciation	3,200,875	2,815,046	2,476,874	2,180,425	1,920,506
	6,595,625	6,562,796	6,663,424	6,907,835	7,310,258
Profit before Taxation	6,556,821	7,685,687	8,681,096	9,532,722	10,226,337
Taxation for the year	24,959	2,548,467	2,816,745	3,045,681	3,230,532
Profit after Taxation	6,531,862	5,137,220	5,864,352	6,487,042	6,995,805
Balance carried to next year	6,531,862	11,669,082	17,533,434	24,020,476	31,016,280

BAKHRESA FOOD PRODUCTS LIMITED

UHAI BOTTLED DRINKING WATER PROJECT - UNIT II

ORGANIZATION CHART



ANNEXURE I

Major assumptions used:

- Number of working days per year 300
- VAT on capital goods Deferred as stipulated in law
- Working capital Financed from BFPL internally generated funds/Bank overdraft
- Dividends Based on net revenues and cashflows
- Corporate tax 50% investment allowances in the first year and the balance 50% as per the rates of depreciation in the subsequent years

10.0. Conclusions and Recommendations

In order to take advantage of the current Government policies of encouraging the private sector to take a leading role in the economic activities of the country, BFPL wishes to expand its manufacturing activities so as to capture the ever growing demand in Tanzania and the neighbouring countries.

The project is profitable to the promoters and is economically and socially beneficial to the nation as a whole.

It is, therefore, recommended for approval and support by all concerned. In view of its substantial benefits to the economy of the country, it is the hope of the investors that the Tanzania Investment Centre will approve this project as a strategic investment and grant it the required incentives as stipulated in the Tanzania Investment Act, 1997.

7.1. Organisation Structure:

The existing organization structure will be expanded suitably to accommodate the increased level of operation. An organization structure is shown in **ANNEXURE II**.

8.0. Economic and Social benefits

In addition to good profits, the project will generate for the investors other economic and social benefits as under:

- The project would provide to more and more people of Tanzania with refreshing and healthy fruit drinks at an affordable price.
- The project will generate foreign exchange by exporting the products.
- The project will generate direct employment to 375 Tanzanians.
- The project will increase direct and indirect taxes to the Government.
- The project will generate more than TZS 5.0 billion in excise duty revenue annually for the government.

9.0. Project Implementation Schedule:

The implementation of the project will be supervised by the experienced team of BFPL staff supported by engineers from suppliers of the equipments during the erection and commissioning. The implementation of the project has already started & civil works are being carried out. Negotiations with the suppliers of machineries and equipments have either been finalized or are at an advanced stage.

5.0. PROJECT ENGINEERING

5.1. LOCATION

The plant will be located at plot No 46/4 Nyerere Road, Buguruni Area, Dar es Salaam. The property belongs to the company and is of adequate dimensions to cater to requirements. The location is very good as it is served by main road. It has power, water and telecommunication connections.

5.2. PLANT AND MACHINERY

The main production lines will be supplied by M/s Kronos AG Germany, M/s Kosme AG Germany, M/s Sacmi Imola Spa Italy, M/s Husky USA, all reputed vendors of PET moulding and filling lines. In addition the ancillary equipments like boilers, compressors, cooling towers, electrical panels, switch gears and water treatment plant will also be procured from reputed suppliers from across the world.

6.0. COSTS

6.1. FIXED CAPITAL COSTS

The capital costs for the project is estimated at US\$ 31.46 million summarised as follows:

(US\$ in million)

	Local	Foreign	Total
Land and Buildings	6.20	1.00	7.20
Plant and machinery	-	17.26	17.26
Motor Vehicles	6.50	-	6.50
Furniture & Fittings	0.50	-	0.50
TOTAL	13.20	18.26	31.46

7.0. MANPOWER

This project when completed will employ 375 Tanzanians and 15 foreign specialists at an annual wage bill of USD 1,650,000/-. The foreign specialists will be responsible for the operations of key technical and specialized areas which require personnel with specialized qualifications and experience. These experts will also be responsible for training our Tanzanian workforce in order to increase their level of skills to enable them to undertake higher responsibilities.

3.0. The Market and Plant Capacity:

The new project will cater to the market for bottled drinking water in the outer regions of Tanzania which do not have adequate supplies or sources of bottled drinking water. The export market comprising of east, central and southern African countries has also not been tapped although the company has received many enquiries from these markets. The products will be transported to these markets along with the other products of the company.

The plant capacity utilization will be progressively increased as the market coverage grows and the local demand will be fulfilled first before the export market is serviced. Since the new production technology will enable cost reduction in the production process, the company would be offering very competitive prices which are expected to drive the market demand very substantially. The installed plant capacity comprising of very advanced technology equipments shall adequately service the market demand and serve as a deterrent for other investors in this field of activity.

4.0. PLANT INPUTS

4.1. RAW MATERIALS

The main raw material is PET granule which is used for bottle production and HDPE granules for cap production. PET granules are generally procured from Taiwan or India and HDPE from Saudi Arabia and both materials are available in adequate quantity. Water purification agents and filters are imported from U.A.E and European countries. Bottle labels and pack wrapping sheets are produced by an associate company in Dar es Salaam.

4.2. POWER SUPPLY

The plant will depend on TANESCO for its power supply. However, standby generators of 1,500 KVA will be installed to ensure continuous power supply.

4. Bakhresa Food Products Limited-----to set up food processing industry to produce ice cream products, artificial juices and mineral water at Kipawa, Dar es Salaam.
5. Omar Packaging Industries Limited----to set up a plastic packing material manufacturing plant at 110 Nyerere Road, Dar es Salaam.
6. Said Salim Bakhresa & Company Limited--- to expand and set up a new 500 ton wheat mill plant at Plot No.74/1, Nyerere road, Dar es Salaam.
7. Bakhresa Food Products Ltd--- to set up a production unit for fruit juice in Tetra Pak packing at Vingunguti Industrial Area, Dar es Salaam.
8. Bakhresa Food Products Ltd--- to set up Ice Cream production unit at Vingunguti Industrial Area, Dar es Salaam.
9. Said Salim Bakhresa & Company Limited--- to expand and set up a new 500 ton wheat mill plant at Plot No.74/1, Nyerere road, Dar es Salaam.
10. Bakhresa Food Products Limited---to expand the production capacity of Uhai Drinking water and Azam bottled flavoured drink.
11. Bakhresa Food Products Limited – to set up a PET bottle recycling plant at Plot 182 & 183 Mbozi Road, Dar es Salaam.
12. Bakhresa Food Products Limited – to set up a Carbonated Soft Drinks production plant at Mkuranga.

BFPL is a wholly Tanzanian owned company and believes in the future of this country. The current industrial policies are conducive to serious investments and it is with this belief that the management wishes to invest in this expansion project.

It is noteworthy that nearly all the projects approved by Tanzania Investment Centre under Bakhresa Group are successfully running and contributing to the economic growth of Tanzania & providing jobs for the Tanzanian nationals and the rest are being implemented as per schedule.

The Company has got specialists in all the fields. The company has the rich experience of local employees as well as expatriate employees from Kenya, Zimbabwe & India. It has experienced engineers, food technologists, quality controllers, accountants, storekeepers and administrative staff who are well trained in their respective fields.

2.2.4. Financial performance of BFPL

(in T.shs.'000)

<u>Year</u>	<u>Sales</u>	<u>Gross profit</u>	<u>Net profit (Pre-Tax)</u>
2010	54,918,682	14,674,786	7,467,297
2011	97,474,846	19,942,814	9,520,856
2012	176,648,013	36,487,753	20,589,134

2.3. Economic Industrial Policies:

Currently the Government is pursuing policies encouraging the private sector to take a commanding role in the economic development of the country.

Many of the projects of Bakhresa Group are approved by Tanzania Investment Centre which are running successfully and contributing to the economic growth of the country.

The projects previously approved by TIC are given below:

1. Said Salim Bakhresa & Company Limited-----to set up wheat mill at Kipawa, Dar es Salaam
2. Said Salim Bakhresa & Company Limited-----to expand and set up 500 ton wheat mill plant at Mzizima, Dar es Salaam
3. Azam Bakeries Company Limited-----to expand and rehabilitate bakery division of SSBC and set up a new biscuit plant at Kipawa, Dar es Salaam

2.2. Promoters and Owners

2.2.1. The Company:

The project is sponsored by M/S Bakhresa Food Products Limited.

2.2.2. Shareholders and Directors:

BFPL has a paid up share capital of Tshs.335 million and Reserves and Surplus in excess of Tshs 70.0 billion. The capital is held entirely by the members of the family of Mr. Said Salim Awadh Bakhresa & the shareholding is as follows:

- Mr. Said Salim Awadh 29.85%
- Mrs. Fathiya Ahmed 29.85%
- Mr. Abubakar Said Salim 29.85%
- Azam Marine Co. Ltd 10.45%

All the shareholders are Tanzanians and the directors in the company constituting the Board of Directors are Mr. Said Salim Awadh is the Managing Director of the company and Mr. Abubakar Said Salim is the Executive Director.

2.2.3. Industrial experience:

BFPL was incorporated on 15th December 1997 as a private limited liability company in Tanzania. The main business of the company is production of mineral water, juice & ice cream.

Mr. Said Salim Awadh is the Chairman and Managing Director & together with Mr Abubakar Bakhresa manages the policies & day to day affairs of the company.

Mr. Said has got over 30 years of rich experience in business. Mr. Abubakar is a graduate in finance and business administration from Georgetown University in USA and has got the successful track record of implementing five mega projects all of which are running successfully.

2.0. PROJECT BACKGROUND

2.1. Introduction

Bakhresa Food Products Limited (BFPL) was incorporated in 1997 and its business activities comprise of production of bottled mineral water, Fruit juice drinks, Ice creams and carbonated soft drinks. The company operates its manufacturing activities at Plot 4, Vingunguti Industrial Area, Plot 142 Kipawa, Plot 74/1 Nyerere Road, Buguruni, Plot 182 & 183 Mbozi Road, Dar es Salaam and Plot nos. 1 & 2 Mwandege, Mkuranga district.

BFPL is currently the market leader in mineral water & sells its product under the brand name "Uhai". It also manufactures artificial juices of various flavours. The Ice Cream sold under the brand name 'Azam' has seen rapid growth in operations over the past twelve months. The latest addition to the product line has been the bottled carbonated soft drink (CSD) and fruit juice which was introduced in June 2011.

The demand for pure drinking water has grown over the years. The people of Tanzania have gradually become aware of the benefits of consuming purified drinking water to lead a healthy life. This combined with availability of good quality drinking water at very reasonable prices has boosted the demand. It has been felt for some time that even during off peak months from April to August, the plant has to be operated at high capacity and during the peak months from September to March, even the maximum capacity has fallen well short of the demand. This has been the trend despite the fact that much of the unfulfilled demand in regions away from Dar es Salaam and exports have not been catered to.

The number of enquiries from other areas of Tanzania and the neighbouring countries has been growing. After careful deliberations, the company decided to set up another full-fledged production unit adding substantial capacity in order to fulfil the growing demands from the market.

The investments in civil structures, production and ancillary machineries and storage and distribution equipments would be substantial and the company expects very reasonable returns which justify this expenditure.

It is this background that prompted BFPL to consider investing in this project in the newly acquired land in Buguruni.

In summary project highlights are:

1. Description of the Project

To set up a production facility for bottled drinking water involving installation of PET granule processing, bottle blowing, filling and packing machines to cater to the local and export markets at 46/4 Pugu Road, Buguruni Area, Dar es Salaam. The name of the project is "Uhai Drinking Water Project – Unit II".

2. Type of Enterprise

Production facility for Bottled Drinking Water

3. Investment Cost (in million)

Foreign	US\$ 18.46
Local	US\$ 13.00
Total	<u>US\$ 31.46</u>

4. Project Financing (in million)

Loans	US\$ 19.50
Internal funds	US\$ 11.96

5. Source, Terms and Conditions of Loan

- i) Term loan and Overdraft facilities from NMB Ltd and Standard Chartered Bank (T) Ltd.
- ii) Interest free loans from Directors and Associate companies.

6. Technology agreement

None

7. Implementation period

January 2014 to December 2016

8. Operative date

October 2016

1.0. EXECUTIVE SUMMARY

This is an investment proposal by M/S Bakhresa Food Products (BFPL) to set up a production facility for bottled drinking water at Plot no. 46/4 Pugu Road, Buguruni, Dar es Salaam. The project will involve building factory sheds, installing PET bottle production lines, water filtration, filling and packing equipments, building warehousing facilities for raw material and finished goods and setting up an extensive distribution infrastructure.

The project shall cater to the growing demand for pure drinking water in Tanzania and the neighbouring countries. Much of this demand has always existed, but the production and distribution capacity of the company has been insufficient to cater to this demand. There have been increasing demands from the regions away from Dar es Salaam and even export enquiries from the neighbouring countries. Therefore a production capacity equivalent to 48.0 million litres per month in various pack sizes shall be installed under the project.

Excluding additional working capital, the project is estimated to cost US\$ 31.463 million, the major components being, Plant and machinery US\$ 17.263 million, Motor vehicles US\$ 6.50 million, Land & civil construction US\$ 7.20 million and Furniture & fixtures US\$ 0.50 million.

The financing of the capital investment for the project would be by way of credit from banks, advances from Associate companies and internal funds. The additional working capital will be financed partly by BFPL from internal sources and partly by bank overdraft. The expansion will be done in phases so that the production enhancement matches with the build up of support infrastructure. However, the entire project is expected to be complete by October 2016.

The plant is projected is expected to achieve optimum capacity utilization by October 2016. In the first year following the project commissioning the company will earn additional profit of US\$ 6.53 million and after adjusting the capital allowances the Government will earn corporate income tax of approx. US\$ 11.66 million over a period of 5 years.

The project has a lot of other economic and social benefits including that of generating direct employment to more than 375 Tanzanians.

It is therefore financially attractive and economically desirable to warrant the Tanzania Investment Centre's approval and support.

CONTENTS

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4.0	PLANT INPUTS	7
5.0	PROJECT ENGINEERING	8
6.0	COSTS	8
7.0	MANPOWER	8
8.0	ECONOMIC AND SOCIAL BENEFITS	9
9.0	PROJECT IMPLEMENTATION SCHEDULE	9
10.0	CONCLUSIONS AND RECOMMENDATIONS	10

BAKHRESA FOOD PRODUCTS LIMITED

P.O. BOX 2517 DAR ES SALAAM, TANZANIA

PROJECT REPORT

PROJECT NAME:

UHA! DRINKING WATER PROJECT – UNIT II



December 2013

DAR ES SALAAM



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DARES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We MR. SAID SALIM AWADH BAKHRESA
(director/directors/agent of BAKHRESA FOOD PRODUCTS LIMITED
(name of business enterprise) apply for registration of INVESTMENT PROJECT
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT NO. 1, BLOCK - 15
..... LIVINGSTONE STREET, DAR ES SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the **implementation period**, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at SAME AS ABOVE

4. The Principal Officers of the Company are MR. SAID SALIM AWADH BAKHRESA,
..... MRS. FATHIYA AHMED, MR. ABUBAKAR SAID BAKHRESA

5. Auditors of the Company are BAKER TILLY DGP & CO.
..... CERTIFIED PUBLIC ACCOUNTANTS, P.O. BOX 1314, DAR ES SALAAM

6. The authorized share capital of the Company is Tshs./~~ES~~ 500.0 MILLION

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs.~~/US\$ 31,463,000/=

8. The month and day of the financial year end is DECEMBER 31ST

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SAID SALIM AWADH BAKHRESA of Post Office Number 2517, DAR ES SALAAM

..... do solemnly and sincerely declare that I am a director/duly

authorized agent of BAKHRESA FOOD PRODUCTS LTD.

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }
..... }

The 18TH day of DECEMBER 2013. }


Applicant

Before me:



.....
Commissioner for Oaths



Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: BAKHRESA FOOD PRODUCTS LTD

Certificate of Incorporation Number: 33169 Status: LIMITED COMPANY

Certificate of Incorporation Date: 15/12/1997

Post Box: 2517

Town: DAR ES SALAAM

Sector: PRIORITY Sub-Sector: MANUFACTURING

Investment Financing Plan in Million US\$/Tsh.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	11,963	—	19,500

Project Objectives: SETTING UP A STATE OF THE ART PLANT FOR
PRODUCTION OF PURE BOTTLED DRINKING WATER FOR DISTRIBUTION
IN THE LOCAL AND EXPORT MARKETS.

Capacity: 572.4 MILLION LITRES PER ANNUM

Employment: Foreign: 15 Local: 375 Total: 390

Implementation Period: 2 YRS 10 MONTHS

Project Location

Site/Plot/Block No.: PLOT NO. 46/4

Street: PUGU ROAD (NYERERE RD) District: ILALA Region: DAR ES SALAAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>SAID SALIM ANADH</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>FATHIYA AHMED</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>ABUBAKAR SAID SALIM</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>AZAM MARINE CO. LTD</u>	<u>TANZANIAN CO.</u>	<u>10.45</u>
.....

Investment Breakdown US\$/~~US\$~~M.

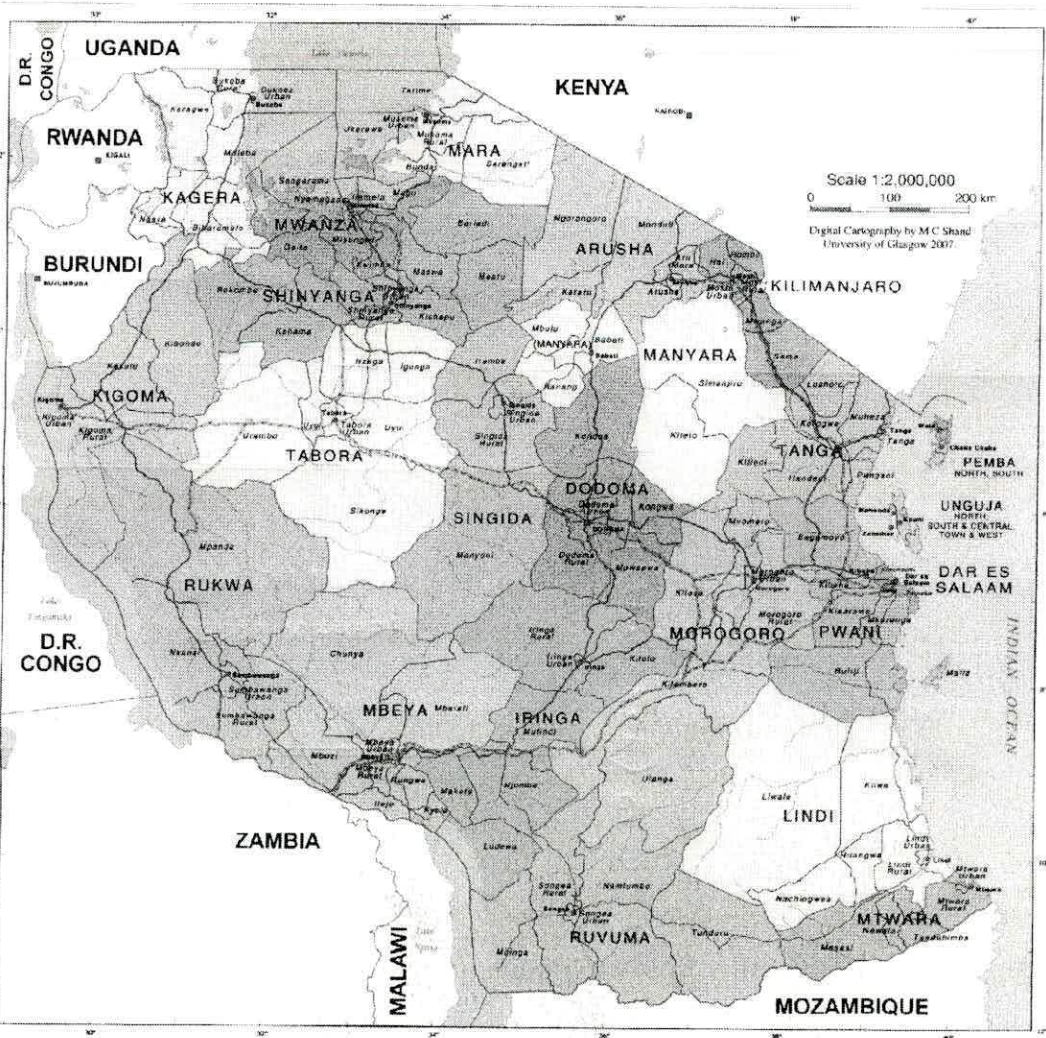
Land/Building 7,200,000.00
Plant 17,263,000.00
Vehicles 6,500,000.00
Furniture & Fittings 500,000.00
Pre-expenses —
Others —
Working Capital 1,000,000.00
TOTAL 32,463,000.00

Contact Details:

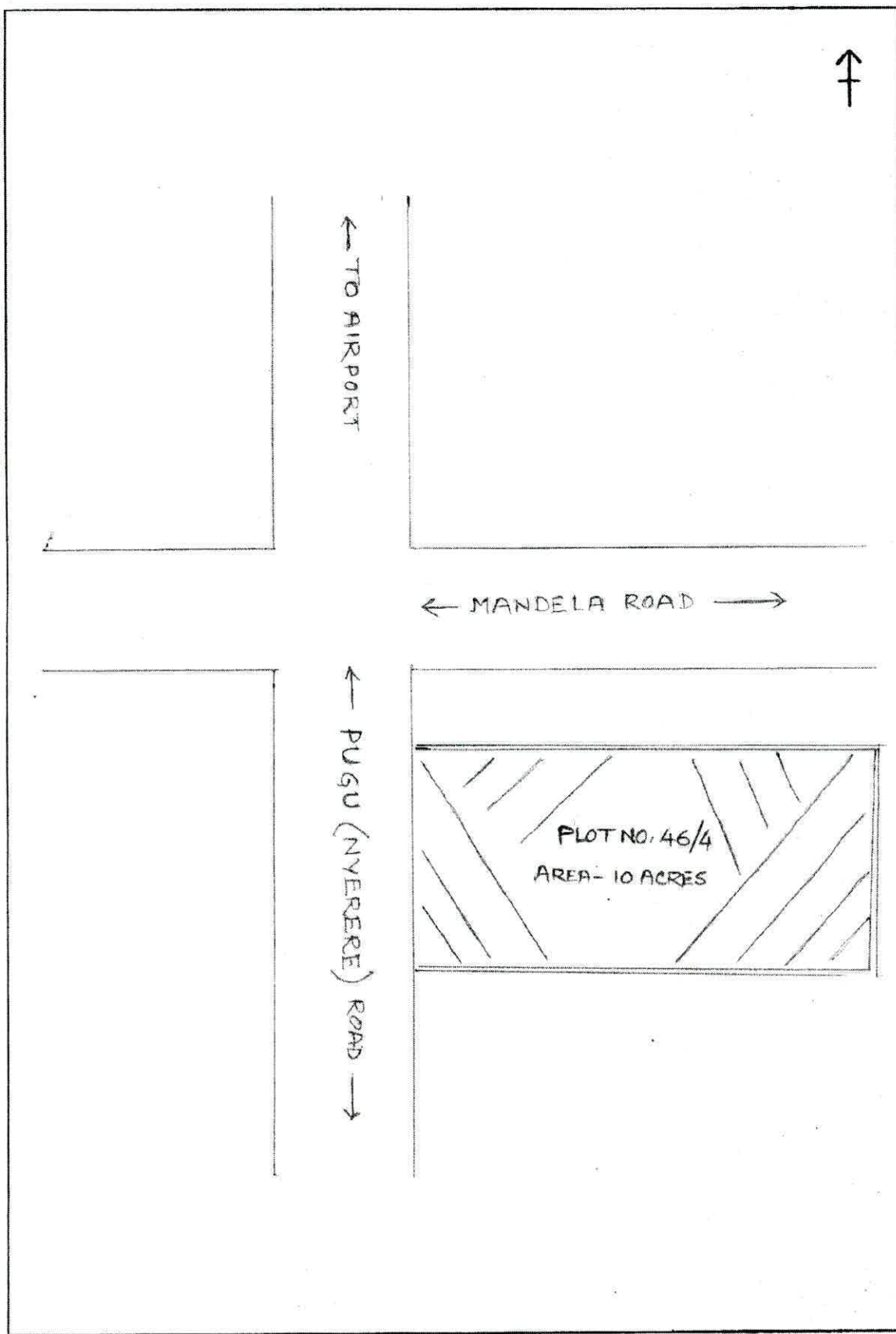
Name: SAID SALIM AWADH BAKHRESA Title: DIRECTOR
Telephone: 2180194 / 2180007 Fax: 2180167
Email: saibal@bakhresa.com

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000



SKETCH MAP SHOWING PROJECT LOCATION



Investment Breakdown ~~US\$~~ / ~~Tshs.~~ M.

Land/Building 7,200,000.00
Plant 17,263,000.00
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<u>ABUBAKAR SAID SALIM</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>AZAM MARINE CO. LTD</u>	<u>TANZANIAN CO.</u>	<u>10.45</u>
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 31,463,000/=

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Note: *failure to provide all the required information will result in the return of the application by the Centre.*

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Declared at Dar es Salaam }
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Attach only where applicable, otherwise indicate "N/A"

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1. I/We MR. SAID SALIM AWADH BAKHRESA
(director/directors/agent of BAKHRESA FOOD PRODUCTS LIMITED
(name of business enterprise) apply for registration of INVESTMENT PROJECT
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT NO. 1, BLOCK - 15
..... LIVINGSTONE STREET, DAR ES SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at SAME AS ABOVE
4. The Principal Officers of the Company are MR. SAID SALIM AWADH BAKHRESA,
..... MRS. FATHIYA AHMED, MR. ABUBAKAR SAID BAKHRESA
.....
5. Auditors of the Company are BAKER TILLY DGP & CO.
..... CERTIFIED PUBLIC ACCOUNTANTS, P.O. BOX 1314, DAR ES SALAAM
6. The authorized share capital of the Company is Tshs./~~ES~~ 500.0 MILLION
.....
.....



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)



JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA WAZIRI MKUU
KITUO CHA UWEKEZAJI TANZANIA



Unapojibu tafadhali taja:

Kumb. Na.PP.10/042599/17

18 Januari, 2022

Mkurugenzi wa Mahusiano,
Said Salim Bakhresa & Co Ltd,
S.L.P 2517,
DAR ES SALAAM

YAH: Kuomba mrejesho wa uamuzi wako wa uwekezaji baada ya timu iliyotembelea mashamba Na. 206 Lugufu, 206 Basanza, 71, 72, 73 &74 Basanza Kigoma na Bugwema irrigation scheme-Musoma Vijijini na Ikongo Valey lilopo Serengeti/ Butiama

Tafadhali husika na kichwa cha habari hapo juu.

1. Kama unavyofahamu mnamo tarehe 6 hadi 8 Januari 2022 na tarehe 10 hadi 13 Januari 2022 timu ya wataalam wa Kampuni yako wakiambatana na timu ya wataalam kutoka Kituo cha Uwekezaji Tanzania (TIC), walitembelea mashamba tajwa yaliyopo Mkoa wa Kigoma na Mkoa wa Mara ili kujiridhisha kama yanafaa kwa uwekezaji wa kilimo cha michikichi na uzalishaji wa mafuta ya mawese.
2. Kwa kuzingatia kuwa ziara hiyo ilifanyika na kukamilika, Kituo kinaomba kupatiwa mrejesho wa uamuzi wenu wa uwekezaji katika maeneo yaliyotembelewa ili kukiwezesha Kituo kujipanga na hatua inayofuata.

Tunashukuru kwa ushirikiano wako.


J.M. Baitu

K.n.y: Mkurugenzi Mtendaji



JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA WAZIRI MKUU
KITUO CHA UWEKEZAJI TANZANIA



Unapojibu tafadhali taja:

Kumb. Na.PP.10/042599/17

18 Januari, 2022

Mkurugenzi wa Mahusiano,
Said Salim Bakhresa & Co Ltd,
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Tunashukuru kwa ushirikiano wako.

J.M. Baitu

K.n.y: Mkurugenzi Mtendaji

SIRI

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF INDUSTRY, TRADE AND INVESTMENT**

Telephone: +255-22- 2129111/8
2129109
Fax: +255-22-2125832

Fax: +255- 22-2125832
E-mail: ps@mit.go.tz
Website- www.mitm.go.tz



NSSF Water Front,
35 Edward Sokoine Drive,
P.O. Box 9503,
11469 DAR ES SALAAM.

In reply please quote:

Ref. No. **CAB 263/312/02/69**

4th November, 2016

Acting Executive Director,
Tanzania Investment Centre,
Shaaban Robert Street,
P.O. Box 938,
DAR ES SALAAM.



DIF
Sya
Urgent
Agreed
7/11/2016

**RE: BUSINESS PROPOSAL TO INVEST IN SUGAR CANE
PLANTATION AND ESTABLISHMENT OF THE SUGAR
MANUFACTURING FACTORY**

Reference is made to your letter with Ref. No **TICC/PP.10/042599/10** dated 17th October, 2016 directed to Bakhresa Group Limited and copied to our office regarding the above subject.

In your letter you invited Bakhresa Group Limited to submit an investment proposal regarding sugar cane plantation and establishment of sugar manufacturing factory to implement the directives of His Excellency President John Pombe Magufuli, the President of the United Republic of Tanzania.

The purpose of this letter is to know the progress on this important matter.

We thank you for your cooperation.

F.F. Mollay

**For: PERMANENT SECRETARY
(TRADE AND INVESTMENT)**

SIRI

CC:

Permanent Secretary
Ministry of Industry, Trade and Investment
NSSF Water Front, First Floor
35 Edward Sokoine Road
P.O.Box 9503
11469 DAR ES SALAAM

Treasury Registrar
CHC Building
33 Samora Road/ Mirambo 50
P.O.Box 3195
Dar es Salaam



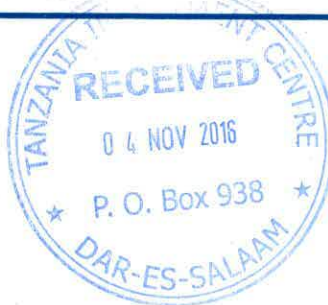
15

BAKHRESA FOOD PRODUCTS LIMITED

P.O. Box 2517, Dar es Salaam, Tanzania, Tel: +255 22 2866289, Fax: +255 22 2866293
E-mail: BFPL@bakhresa.com

November 1, 2016

The Executive Director
Tanzania Investment Centre (TIC)
P.O.Box 938
Dar es Salaam



DIF
fya
Ag EXD
7/11/2016

Ref: Invitation to submit Business Proposal to Invest in Sugar Cane Plantation and Establishment of Sugar Manufacturing Plant.

Dear Sir/Madam

Kindly refer to your office letter ref. TICC/PP.10/042599/10 dated 17th October 2016.

We are highly grateful to His Excellency President John Pombe Mugufuli, for his kind gesture during his visit to our Juice Factory in Mwandege on 6th October 2016 and the offer made by him by offering 10,000 hectares of land for the purpose mentioned above.

We appreciate his support and we are seriously working towards utilizing this offer. However, you will appreciate that a Project of this kind requires huge investment of funds and time.

We are currently waiting for response from the concerned ministry about exact location of said 10,000 hectares of land, offered by His Excellency. Subsequently, we will engage consultants to prepare feasibility report for this project. This will further give us direction to pool/ arrange our resources and finalize this business proposal.

While we are working on compiling the above mentioned information, we will appreciate receiving any feedback / guidance from TIC towards the proposed project.

We look forward to your kind co-operation in this regard.

Thanking You,

For Bakhresa Food Products Limited

(Said Salim Awadh Bakhresa)
Chairman and Managing Director

CC: Chief Secretary, State House- IKULU, P.O.Box 9120, Dar es Salaam

TIC/PP.10/042599/15

07/12/2016

Katibu Mkuu,
Wizara ya Ardhi,
1, Mtaa Ardhi,
S.L.P 9132,
11477 - **DAR ES SALAAM**

YAH: UMILIKISHAJI WA SHAMBA NA. 3565/1 MAKURUNGE

Tafadhali rejea barua yako Kumb Na. LD/310849/93 ya tarehe 07/12/2016 inayohusu mada iliyotajwa hapo juu.

Ni kweli Kampuni ya Coast Agro Product Limited, ilipatiwa na Kituo cha Uwekezaji Cheti cha Vivutio (Certificate of Incentives) chenye Na. 010632 kwa ajili ya kuwekeza katika Shamba Na. 3565, Makurunge/Bagamoyo.

Hata hivyo baadaye wamiliki wa kampuni hiyo walitoa taarifa kwetu kwamba wameamua kutoendelea na kampuni hiyo, na badala yake wameamua kusajili kampuni nyingine, ijulikanayo kwa jina la *Bagamoyo Sugar Limited*, ambayo ndiyo itakayoendesha mradi wa kilimo cha miwa katika shamba tajwa.

Kwa kuwa kampuni ya Bagamoyo Sugar Limited inamilikiwa na watanzania kwa asilimia mia moja, tunaomba ofisi yako iendelee na hatua za umilikishaji wa ardhi wakati taratibu za kuwaandalia cheti kingine cha uwekezaji zikiendelea.

Nakushukuru kwa ushirikiano wako.



Clifford K. Tandari
KAIMU MKURUGENZI MTENDAJI

15

TIC/PP.10/042599/15

07/12/2016

Katibu Mkuu,
Wizara ya Ardhi,
1, Mtaa Ardhi,
S.L.P 9132,
11477 - **DAR ES SALAAM**

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Hata hivyo baadaye wamiliki wa kampuni hiyo walitoa taarifa kwetu kwamba wameamua kutoendelea na kampuni hiyo, na badala yake wameamua kusajili kampuni nyingine, ijulikanayo kwa jina la *Bagamoyo Sugar Limited*, ambayo ndiyo itakayoendesha mradi wa kilimo cha miwa katika shamba tajwa.

Kwa kuwa kampuni ya Bagamoyo Sugar Limited inamilikiwa na watanzania kwa asilimia mia moja, tunaomba ofisi yako iendelee na hatua za umilikishaji wa ardhi wakati taratibu za kuwaandalia cheti kingine cha uwekezaji zikiendelea.

Nakushukuru kwa ushirikiano wako.

Clifford K. Tandari

Clifford K. Tandari
KAIMU MKURUGENZI MTENDAJI





(14) 90

WHEAT MILLS • MAIZE MILLS • RICE MILLS

Kuumb: BG/AR/SP/DI
Katibu Mkuu

05/12/2016

Wizara ya Ardhi

P.o.Box 9132

Dar es salaam

Ndugu

YAH: HEKTA 100000 ZA SHAMBA LA MAKURUNGE

Husika na kichwa cha habari hapo juu na Ankara ya malipo na 1202011 ya Tarehe 25 November 2016 na agizo la Mheshimiwa Rais Dr.Magufuli la kampuni yetu kumilikishwa eneo la shamba kwa ajili ya kilimo cha Miwa na Ujenzi wa Kiwanda cha Kusindika Sukari.

Tunaiomba ofisi yako ibadili Ankara ya malipo iliyotolewa hapo awali kwa jina la Coast Agro Product Limited kwenda kwenye jina jipya la Bagamoyo Sugar Limited. Tumeamua kusitisha usajili wa kampuni yenye jina la Awali na kusajili kampuni nyingine yenye Jina la sasa ambalo ndio itajishughulisha na uendelezaji wa eneo hilo. Kampuni hiyo imekwisha sajiliwa na ninaambatanisha nakala ya usajili.

Tunatanguliza shukrani zetu kwako kwa ushirikiano tunaopata na tunataraji ombi letu litakubaliwa.

Wako katika ujenzi wa Taifa

Hussein Sufian

Mkurugenzi wa Mawasiliano

Imepokulwa

Mus.

7/12/16

THE UNITED REPUBLIC OF TANZANIA
TANZANIA INVESTMENT CENTRE

Telegraphic Address: "INVEST"
Tel: No: (255)-22-2116328
Fax: (255-22) -2118253
E-mail: information@tic.co.tz
Website: www.tic.co.tz
In reply please quote:



Shaaban Robert Street
P.O. Box 938,
DAR ES SALAAM.

Ref No:

TICC./PP.10/010429/58

7 Novemba 2016

Kamishna wa Ardhi
1Mtaa wa Ardhi
S.L.P 9230
11477 DAR ES SALAAM

YAH: SHAMBA NA. 3565 MAKURUNGE, WILAYA YA BAGAMOYO

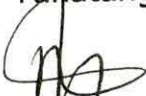
Tafadhali husika na somo tajwa hapo juu kupitia barua yako Kumb. Na. LD31084/67 ya tarehe 12 Oktoba 2016.

Katika kumbukumbu na nyaraka za shamba hilo zinaonyesha kuwa ukubwa wa **Hekta 20,373.56** ndio zilizopo lakini, hata hivyo agizo lililotolewa na Mhe. Rais wa Jamhuri ya Muungano wa Tanzania ni kwa mwekezaji kupatiwa **Hekta 10,000** kwa ajili ya kilimo cha miwa kwa uzalishaji wa sukari.

Kwa kuwa sasa agizo hili limeshajadiliwa katika kikao cha Kamati ya Taifa ya Ugawaji Ardhi kinachofuatia ni Utaratibu wa kuteng akiasi cha hekta 10,000 zilizoelekezwa kati ya **hekta 20,373.56** za shamba hilo ili ziweze kumilikishwa kwa **Bakhresa Group of Companies Limited**.

Jukumu la kutenga ardhi hiyo liko chini ya Mamlaka yako, hivyo kwa barua hii tunaiomba ofisi yako kutekeleza jukumu hilo haraka iwezekanavyo ili mwekezaji huyu aweze kukabidhiwa eneo lililotengwa kwa kilimo cha miwa. Ni matarajio yetu suala la muda litazingatiwa katika kutekeleza jukumu hili.

Tunatanguliza shukrani kwa ushirikiano wako.


N.A. Senzia

Kny: Mkurugenzi Mtendaji

Nakala: Kamishna Msaidizi wa Ardhi
Kanda ya Mashariki
S.L.P 587
MOROGORO - (Kwa tarifa)

TICC/PP.10/042599/12

11/11/2016

Chairman and Managing Director,
Bakhresa Food Products Limited,
P. Box 2517,
DAR ES SALAAM.

RE: INVITATION TO SUBMIT BUSINESS PROPOSAL TO INVEST IN SUGAR CANE PLANTATION AND ESTABLISHMENT OF SUGAR MANUFACTURING PLANT

We refer to your letter dated 1st November, 2016 with the above heading. In the said letter, you were referring to our previous letter on the subject matter with Ref. No. TICC/PP10/042599/10 dated 17th October, 2016.

Meanwhile, we would like to update you regarding the issue of land acquisition as follows:

- i) On 2nd November, 2016 there was a meeting of the National Land Allocation Committee to discuss the allocation of 10,000 hectares to your company for sugarcane investment, whereby the allocation was done successfully by the Committee for further steps.
- ii) On 7th November, 2016 we wrote a letter to the Commissioner for Lands, asking for expediting the subdivision of land in order to extract the said size out of 20,373.56 hectares (the current total size of the respective land). Once the subdivision is completed, you will be granted a Right of Occupancy by the Commissioner for Lands.

We will be updating you wherever there is new information to share.

With regards,



Nakuala Senzia

For: EXECUTIVE DIRECTOR

(13)

JAMHURI YA MUUNGANO WA TANZANIA
WIZARA YA ARDHI, NYUMBA NA MAENDELEO YA MAKAZI

Simu +255 22 211 3165
Nukushi: +255 22 212 4576
Barua pepe: km@ardhi.go.tz



1 Mtaa wa Ardhi,
S.L.P. 9132,
11477 DAR ES SALAAM

Unapojibu tafadhali taja:
Kumb. Na. LD/310849/93

07 Desemba, 2016

Mkurugenzi Mtendaji,
Kituo cha Uwekezaji Tanzania,
S.L.P. 938,
DAR ES SALAAM.



YAH: UMILIKISHAJI WA SHAMBA NA. 3565/1 MAKURUNGE

Tafadhali husika na somo tajwa hapo juu.

Ofisi ya Kamishna wa Ardhi iko kwenye hatua za maandalizi ya hati kwa Kampuni ya Said Salim Bakhresa & Co. Ltd kupitia Kampuni tanzu ya Coast Agro Product Limited ya S.L.P 2517 Dar es Salaam na umilikishaji huo ulitokana na uwepo wa *Certificate of Incentive* yenye Na. 010632 uliyoiidhinisha tarehe 1 Novemba, 2016. Hata hivyo, wakati hatua hizo zinaendelea, tumepokea maombi kutoka kwa Kampuni ya Said Salim Bakhresa & Co. Ltd wakiomba Kampuni ya Bagamoyo Sugar Limited ndiyo imilikishwe eneo hilo kwa maelezo kuwa wamesitisha usajili wa kampuni ya Coast Agro Product Limited ambayo ilikuwa imeandaliwa Ankara ya malipo.

Maoni yetu ni kuwa Kampuni ya Coast Agro Product Limited iliomba *Certificate of Incentive* ili waweze kuitumia kupata fursa za uwekezaji uliokusudiwa kwa kutumia shamba Na. 3565 makurunge Bagamoyo. Kwa kuwa kampuni inayopendekezwa kumilikishwa itatumia shamba hilo ambalo tayari umetoa *Certificate of Incentive* juu yake, tunaomba ufafanuzi wa hali hiyo ili hatua za umilikishaji ziendelee.

Natanguliza shukrani zako.

N. M. Nhonge
Kny: KATIBU MKUU



11

BAKHRESA FOOD PRODUCTS LIMITED

P.O. Box 2517, Dar es Salaam, Tanzania, Tel: +255 22 2866289, Fax: +255 22 2866293
E-mail: BFPL@bakhresa.com

November 1, 2016

The Executive Director
Tanzania Investment Centre (TIC)
P.O.Box 938
Dar es Salaam



Ref: Invitation to submit Business Proposal to Invest in Sugar Cane Plantation and Establishment of Sugar Manufacturing Plant.

Dear Sir/Madam

Kindly refer to your office letter ref. TICC/PP.10/042599/10 dated 17th October 2016.

We are highly grateful to His Excellency President John Pombe Mugufuli, for his kind gesture during his visit to our Juice Factory in Mwandege on 6th October 2016 and the offer made by him by offering 10,000 hectares of land for the purpose mentioned above.

We appreciate his support and we are seriously working towards utilizing this offer. However, you will appreciate that a Project of this kind requires huge investment of funds and time.

We are currently waiting for response from the concerned ministry about exact location of said 10,000 hectares of land, offered by His Excellency. Subsequently, we will engage consultants to prepare feasibility report for this project. This will further give us direction to pool/ arrange our resources and finalize this business proposal.

While we are working on compiling the above mentioned information, we will appreciate receiving any feedback / guidance from TIC towards the proposed project.

We look forward to your kind co-operation in this regard.

Thanking You,

For Bakhresa Food Products Limited


(Said Salim Awadh Bakhresa)
Chairman and Managing Director



CC: Chief Secretary, State House- IKULU, P.O.Box 9120, Dar es Salaam

TICC/PP.10/042599/9

24/10/2014

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042599**

M/S Bakhresa Food Products Limited is a TIC registered company with certificate of incentives **No. 042599** which is valid up to **December 2016**

The company has been registered with objectives of establishing a plant for production of pure bottled drinking water.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR

Permanent Secretary
Ministry of Industry, Trade and Investment
NSSF Water Front, First Floor
35 Edward Sokoine Road
P. O. Box 9503
11469 **DAR ES SALAAM**

Treasury Registrar
CHC Building
33 Samora Road/Mirambo 50,
P. O. Box 3195,
11104 - DAR ES SALAAM

TICC/PP.10/042599/10

17th October 2016

Bakhresa Group Limited,
P.O.Box 2517,
DAR ES SALAAM.

**REF: INVITATION TO SUBMIT YOUR BUSINESS PROPOSAL TO INVEST
IN SUGAR CANE PLANTATION AND ESTABLISHMENT OF THE
SUGAR MANUFACTURING FACTORY**

The above heading refers.

This is a follow up to His Excellency President John Pombe Magufuli in his speech when opening your juice factory in Mwandege, Mkuranga on 6th October, 2016 whereby he offered you an opportunity to invest in sugar cane plantation and establishment of sugar factory by offering 10,000 hectares of land for the purposes of farming and setting up a factory.

TIC being the responsible agency for promotion and facilitation of investments by this letter is inviting you to submit your investment proposal in accordance with Tanzania Investment Act 1997.

We wish you all the best and we hope to hear from you soon.



Clifford K. Tandari
Acting Executive Director

Copy: Chief Secretary
State House – IKULU
1 Baraka Obama Road
P. O. Box 9120
11400 DAR ES SALAAM

...../2



11

BAKHRESA FOOD PRODUCTS LIMITED

P.O. Box 2517, Dar es Salaam, Tanzania, Tel: +255 22 2866289, Fax: +255 22 2866293
E-mail: BFPL@bakhresa.com

November 1, 2016

The Executive Director
Tanzania Investment Centre (TIC)
P.O.Box 938
Dar es Salaam



DCA
DIF
DIP
Jyn. Urgent
Agreed
2/11/2016

Ref: Invitation to submit Business Proposal to Invest in Sugar Cane Plantation and Establishment of Sugar Manufacturing Plant.

Dear Sir/Madam

Kindly refer to your office letter ref. TICC/PP.10/042599/10 dated 17th October 2016.

We are highly grateful to His Excellency President John Pombe Mugufuli, for his kind gesture during his visit to our Juice Factory in Mwandege on 6th October 2016 and the offer made by him by offering 10,000 hectares of land for the purpose mentioned above.

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We look forward to your kind co-operation in this regard.

Thanking You,

For Bakhresa Food Products Limited

(Said Salim Awadh Bakhresa)
Chairman and Managing Director



(2) PLO
Let us discuss
DIP

CC: Chief Secretary, State House- IKULU, P.O.Box 9120, Dar es Salaam

TICC/PP.10/042599/7

18/02/2014

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042599**

M/S Bakhresa Food Products Limited is a TIC registered company with certificate of incentives **No. 042599** which is valid up to **December 2016**

The company has been registered with objectives of establishing a plant for production of pure bottled drinking water.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

S/N	DESCRIPTION	UOM	QTY	Item Category (Pg-6)
160	Perforated Cable Fixing Nut Bolt	PCS	2,000	Production Equipment / item
161	Cable 5 core 6mmsq Cu/PVC Flexible cable	MTR	1,600	Production Equipment / item
162	Cable 5 core 4mmsq Cu/PVC Flexible cable	MTR	1,200	Production Equipment / item
163	Cable 4 core 2.5mmsq Cu/PVC Flexible cable	MTR	1,800	Production Equipment / item
164	Cable 3 core 2.5mmsq Cu/PVC Flexible cable	MTR	1,700	Production Equipment / item
165	Cable 5 core 1.5mmsq Cu/PVC Flexible cable	MTR	2,000	Production Equipment / item
166	4X1,5 sqmm CU/PVC/PVC (LiY(St) CY)	MTR	200	Production Equipment / item
167	Cable TWIN FLAT 2.5mmsq Cu/PVC Flexible cable	MTR	4,000	Production Equipment / item
168	Cable TWIN FLAT 1.5mmsq Cu/PVC Flexible cable	MTR	5,000	Production Equipment / item
169	Industrial Socket 5pin WITH Socket and Isolator box 32A & 25A	NMB	125	Production Equipment / item
170	Industrial Plug 5 pin 32A & 25A	NMB	125	Production Equipment / item
171	Industrial Plug 5 pin Male Female32A	NMB	50	Production Equipment / item
172	LED Tube lights 230V AC Single Tube	NMB	50	Production Equipment / item
173	LED Tube lights 230V AC Double Tube	NMB	50	Production Equipment / item
174	Dome Light LED Type 150W	NMB	125	Production Equipment / item
175	Street Light LED Type 75W	NMB	55	Production Equipment / item
176	Emergency Lamps Tube Light Type	NMB	15	Production Equipment / item
177	Pesto Flash Insect Killer Lights	NMB	15	Production Equipment / item
178	Copper tape 25mm x 3mm (50mts pkg)	MTR	100	Production Equipment / item
179	Copper tape Sadles	NMB	100	Production Equipment / item

S/N	DESCRIPTION	UOM	QTY	Item Category (Pg-5)
139	Perforated Cable Tray Tee 500x100mm x 1.5mm Thick	PCS	3	Production Equipment / item
140	Perforated Cable Tray Tee 400x100mm x 1.5mm Thick	PCS	5	Production Equipment / item
141	Perforated Cable Tray Tee 300x100mm x 1.5mm Thick	PCS	2	Production Equipment / item
142	Perforated Cable Tray Tee 200x100mm x 1.5mm Thick	PCS	4	Production Equipment / item
143	Perforated Cable Tray Tee 100x100mm x 1.5mm Thick	PCS	4	Production Equipment / item
144	Perforated Cable Tray 90 deg Flat Corner 600x100	PCS	4	Production Equipment / item
145	Perforated Cable Tray 90 deg Flat Corner 500x100	PCS	4	Production Equipment / item
146	Perforated Cable Tray 90 deg Flat Corner 400x100	PCS	5	Production Equipment / item
147	Perforated Cable Tray 90 deg Flat Corner 300x100	PCS	5	Production Equipment / item
148	Perforated Cable Tray 90 deg Flat Corner 200x100	PCS	5	Production Equipment / item
149	Perforated Cable Tray 90 deg Vertical Ousdie Riser 600	PCS	6	Material transportation
150	Perforated Cable Tray 90 deg Vertical Ousdie Riser 500	PCS	4	Material transportation
151	Perforated Cable Tray 90 deg Vertical Ousdie Riser 400	PCS	10	Material transportation
152	Perforated Cable Tray 90 deg Vertical Ousdie Riser 300	PCS	10	Factory utility item
153	Perforated Cable Tray 90 deg Vertical Ousdie Riser 200	PCS	6	Production Equipment / item
154	Perforated Cable Tray 90 deg Vertical Ousdie Riser 100	PCS	10	Production Equipment / item
155	Perforated Cable Tray Concentric Reducer	PCS	4	Product distribution item
156	Perforated Cable Tray Concentric Reducer 500x400mm	PCS	4	Product distribution item
157	Perforated Cable Tray Concentric Reducer 400x300mm	PCS	3	Production Equipment / item
157	Perforated Cable Tray Concentric Reducer 300x200mm	PCS	2	Production Equipment / item
158	Perforated Cable Tray Concentric Reducer 200x100mm	PCS	2	Production Equipment / item
159	Perforated Cable Tray Mechanical Intigral Joint	PCS	550	Production Equipment / item

V
CTIN: 0044863



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 3A(4) OF THE INCOME TAX ACT NO. 33 OF 1973)
AS AMMENDED BY THE FINANCIAL LAWS (MISCELLANEOUS AMENDMENTS) 2000

THIS IS TO CERTIFY THAT

BAKHRESA FOOD PRODUCTS LIMITED

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

100-181-517

with effect from 01/07/1999

OFFICIAL SEAL


H. M. Kitilya
COMMISSIONER FOR INCOME TAX

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

	Nationality	Shareholding (%)
<u>Azam Marine Co.Ltd.</u>	<u>Tanzanian</u>	<u>10.45</u>
<u>Abubakar Said Salim</u>	<u>Tanzanian</u>	<u>29.85</u>
<u>Fathiya Ahmed</u>	<u>Tanzanian</u>	<u>29.85</u>
<u>Said Salim Awadh</u>	<u>Tanzanian</u>	<u>29.85</u>
2. Proposed Activities: To establish the state of art plant for production of pure bottled drinking water
3. Sector: Manufacturing Subsector: Drinking water
4. Investment cost: Foreign USD 0m. Local USD 31,463m. Total USD 31,463m.
5. Project Financing: Equity USD 11,963m. Loans USD 19,5m. Total USD 31,463m.
6. Source, terms and conditions of loan:
7. Assets to be invested:

	Foreign	Local	Total
Capital items:	<u>USD 0m.</u>	<u>USD 31,463m.</u>	<u>USD 31,463m.</u>
8. Technology Agreement: None
9. Date of TIC Registration: 29th January 2014
10. Implementation period: January 2014 - December 2016
11. Operative date: January 2017
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate

Finished good are not allowed under this Certificate

Signed 
Executive Director



00220667

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No:042599.....

This is to certify that

BAKHRESA FOOD PRODUCTS LIMITED

of address P.O. BOX 2517

..... DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ enterprise known as

BAKHRESA FOOD PRODUCTS LIMITED

Which is located at PLOT NO. 46/4 PUGU NYERERE ROAD

..... ILALA - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 29TH JANUARY 2014



BAKHRESA FOOD PRODUCTS LIMITED

P O BOX 2517 DAR ES SALAAM TANZANIA

Tel: +255 22 2180194 Fax: +255 22 2180167



Tic

Ref: BFPL/TIC/UHAI-II/2/1014

20 October 2014

The Commissioner for Customs & Excise
Tanzania Revenue Authority
Dar es Salaam

Executive Director
Tanzania Investment Centre
P. O. Box 938
Dar es Salaam



Received on
23/10/2014
M
TIC

Dear Sirs,

RE: EXEMPTION OF DUTY AND VAT ON PROCUREMENT OF CAPITAL GOODS AND DEEMED CAPITAL GOODS FOR APPROVED PROJECT UNDER CERTIFICATE OF INCENTIVES NO. 042599

We have been granted a Certificate of Incentives No. 024599 by the Tanzania Investment Centre for our project for production of bottle drinking water.

The project comprises of setting up production lines comprising of high technology equipments, construction of factory and warehouse space and developing required logistical infrastructure. The project execution will be done in a phased manner by December 2016.

It has come to our notice that some critical electrical components including cables and fittings were not been included in the project item list submitted for grant of exemption of Customs Duty and VAT. We are in the process of importing these items and request that exemption of Customs Duty and VAT be granted for these additional items which were missed out.

The list of the additional items is enclosed along with copies of the Certificate of Incentives and our TIN certificate.

We request you to grant us exemption from import duty and VAT for the items included in the attached list at the earliest.

Yours truly,

Bakhresa Food Products Ltd

Said Salim Awadh Bakhresa
Managing Director

Encl/- as above

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

Shareholders	Nationality	Shareholding (%)
<u>Azam Marine Co.Ltd.</u>	<u>Tanzanian</u>	<u>10.45</u>
<u>Abubakar Said Salim</u>	<u>Tanzanian</u>	<u>29.85</u>
<u>Fathiya Ahmed</u>	<u>Tanzanian</u>	<u>29.85</u>
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2. Proposed Activities : To establish the state of art plant for production of pure bottled drinking water
3. Sector: Manufacturing Subsector Drinking water
4. Investment cost: Foreign USD 0m. Local USD 31,463m. Total USD 31,463m.
5. Project Financing: Equity USD 11,963m. Loans USD 19,5m. Total USD 31,463m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>USD 0m.</u>	<u>USD 31,463m.</u>	<u>USD 31,463m.</u>
8. Technology Agreement None
9. Date of TIC Registration: 29th January 2014
10. Implementation period January 2014 - December 2016
11. Operative date January 2017
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
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 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
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 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished good are not allowed under this Certificate

Signed 
Executive Director



00220667

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No:042599.....

This is to certify that

BAKHRESA FOOD PRODUCTS LIMITED

of address P.O. BOX 2517

..... DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXX~~ enterprise known as

BAKHRESA FOOD PRODUCTS LIMITED

Which is located at PLOT NO. 46/4 PUGU NYERERE ROAD

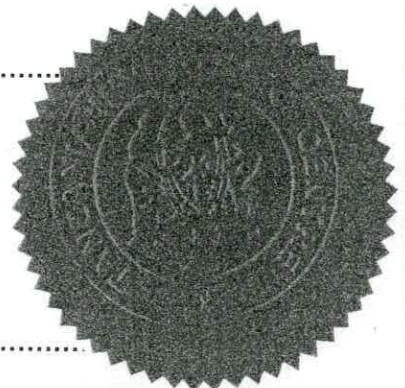
..... ILALA - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 29TH JANUARY 2014



SL. NO.	ITEM DESCRIPTION	QTY	UOM	Item Category (Pg-4)
106	Cable 5 core 2.5mmsq Cu/PVC Flexible cable	4,000	Metres	Production Equipment / item
107	Cable 5 core 1.5mmsq Cu/PVC Flexible cable	4,000	Metres	Production Equipment / item
108	Cable Lugs Tinned copper - various sizes	5,000	Nos.	Production Equipment / item
109	Cable Glands PVC - various sizes	3,000	Nos.	Production Equipment / item
110	Cable Glands Brass - various sizes	3,000	Nos.	Production Equipment / item
111	Pedas Light 230V - Complete with light	2,000	Nos.	Production Equipment / item
112	Industrial Plug & Socket 16A/4 pin	200	Nos.	Production Equipment / item
113	Industrial Plug & Socket 32A/5 pin	200	Nos.	Production Equipment / item
114	Strip Connectors 15A	200	Nos.	Production Equipment / item
115	Insulation Tape 20M R,Y,B, black, each 100	200	Nos.	Production Equipment / item
116	Insulation Tape 20M yellow Green	200	Nos.	Production Equipment / item
117	Cable Ties 370 x 4.8 mm (pkt of 100)	200	Pack	Production Equipment / item
118	Cable Ties 370 x 7.6 mm (pkt of 100)	200	Pack	Production Equipment / item
119	Cable Ties 450 x 9 mm (pkt of 50)	200	Pack	Production Equipment / item
120	Rotary Isolator IP65 32A	200	PCS	Production Equipment / item
121	Rotary Isolator IP65 40A	200	Nos.	Production Equipment / item
122	Rotary Isolator IP65 63A	200	Nos.	Production Equipment / item
123	Upright Single Door Cooler	1,500	Nos.	Production Equipment / item
124	Product conveyor system	10	Set	Production Equipment / item
125	Aluminium Profile	90,000	Kgs	Civil Construction item
126	Aluminium Composite Panels	20,000	Sq. Mtrs	Civil Construction item
127	Glass	15,000	Sq. Mtrs	Civil Construction item
128	Glass Accessories	5,000	Nos.	Civil Construction item
129	Silicon	3,600	Litres	Civil Construction item
130	Rubber	25,000	Metres	Civil Construction item
131	Assorted Screws	100,000	Nos.	Civil Construction item
132	Glass Machine	3	Set	Civil Construction item
133	HTD Reinforcing bars	1,500	Tons	Civil Construction item
134	Epoxy Flooring & Coating	20,000	Kgs	Civil Construction item
135	Project & Workshop tools & equipments	5	Lots	Civil Construction item
136	Steel Structures for factory and godown	120,000	Sq. Mtrs	Civil Construction item
137	Ceramic Floor / Wall tiles	75,000	Sq. Mtrs	Civil Construction item
138	Aluminium Machine	10	Set	Civil Construction item



SL. NO.	ITEM DESCRIPTION	QTY	UOM	Item Category (Pg-3)
70	LV Synchronizing Panel up to 6500 A	6	Nos.	Production Equipment / item
71	LV Main Panel up to 6500 A	8	Nos.	Production Equipment / item
72	LV DB's 250 to 1600 A (4 to 12 ways)	12	Nos.	Production Equipment / item
73	Diesel Generator 150Kva to 2000 Kva	16	Set	Production Equipment / item
74	Cable 3 Core 95mmsq /Cu/XLPE/PVC/ 33Kv	1,500	Metres	Production Equipment / item
75	Rechame Termination Kit For Cable 3 Core 95mmsq /Cu/XLPE/PVC/ 33Kv	12	Set	Production Equipment / item
76	12 mm earth rods 1 meter length with clamps for 70sqmm	200	Nos.	Production Equipment / item
77	Cable 1 core x 95mmsq bare Cu	2,000	Metres	Production Equipment / item
78	Cable 1core x 70mmsq bare Cu	3,000	Metres	Production Equipment / item
79	Cable 1core 630mmsq Cu / XLPE / PVC 1.1KV G	7,500	Metres	Production Equipment / item
80	Cable 1core 400mmsq Cu XLPE / PVC 1.1KV G	7,000	Metres	Production Equipment / item
81	Cable 1core 300 Sq. mm Cu/XLPE/PVC 1.1KV G	7,000	Metres	Production Equipment / item
82	Cable 1core PVC x185mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
83	Cable 1core PVC x120mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
84	Cable 1core PVC x95mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
85	Cable 1core PVC x70mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
86	Cable 1core PVC x50mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
87	Cable 1core PVC x35mmsq Cu un armoured PE Y/G	2,000	Metres	Production Equipment / item
88	Cable 1core PVC x 25mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
89	Cable 1core PVC x 16mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
90	Cable 1core PVC x 10mmsq Cu un armoured PE Y/G	4,000	Metres	Production Equipment / item
91	Cable 4 core 1.5mmsq Cu/XLPE/PVC/SWA 1 kv	6,000	Metres	Production Equipment / item
92	Cable 4 core 2.5mmsq Cu/XLPE/PVC/SWA 1 kv	6,000	Metres	Production Equipment / item
93	Cable 4 core 4mmsq Cu/XLPE/PVC/SWA 1 kv	6,000	Metres	Production Equipment / item
94	Cable 4 core 6mmsq Cu/XLPE/PVC/SWA 1 kv	4,000	Metres	Production Equipment / item
95	Cable 4 core 10mmsq Cu/XLPE/PVC/SWA 1 kv	4,000	Metres	Production Equipment / item
96	Cable 4 core 25mmsq Cu/XLPE/PVC/SWA 1 kv	2,000	Metres	Production Equipment / item
97	Cable 4 core 35mmsq Cu/XLPE/PVC/SWA 1 kv	2,000	Metres	Production Equipment / item
98	Cable 4 core 50mmsq Cu/XLPE/PVC/SWA 1 kv	2,000	Metres	Production Equipment / item
99	Cable 4 core 70mmsq Cu/XLPE/PVC/SWA 1 kv	1,500	Metres	Production Equipment / item
100	Cable 4 core 95mmsq Cu/XLPE/PVC/SWA 1 kv	1,500	Metres	Production Equipment / item
101	Cable 4 core 120mmsq Cu/XLPE/PVC/SWA 1 kv	3,000	Metres	Production Equipment / item
102	Cable 4 core 150mmsq Cu/XLPE/PVC/SWA 1 kv	2,000	Metres	Production Equipment / item
103	Cable 4 core 185mmsq Cu/XLPE/PVC/SWA 1 kv	4,000	Metres	Production Equipment / item
104	Cable 4 core 240mmsq Cu/XLPE/PVC/SWA 1 kv	3,000	Metres	Production Equipment / item
105	Cable 4core 6mmsq Cu/PVC Flexible cable	4,000	Metres	Production Equipment / item

SL. NO.	ITEM DESCRIPTION	QTY	UOM	Item Category (Pg-2)
34	Storage Shelving and Racking System	10	Set	Production Equipment / item
35	Cold Storage Room & Equipments	4	Set	Production Equipment / item
36	Production Line Pallets	25,000	Nos.	Production Equipment / item
37	Forlift trucks	30	Nos.	Production Equipment / item
38	Preform Sorting Boxes	25,000	Nos.	Production Equipment / item
39	Water Softner	6	Set	Production Equipment / item
40	GI Converter	3,000	Nos.	Production Equipment / item
41	Weighing Scales	8	Nos.	Production Equipment / item
42	Stainless Steel packing tables	50	Set	Production Equipment / item
43	Laboratory Equipments and Testing Apparatus	5	Lots	Production Equipment / item
44	Manual Trolleys	20	Nos.	Production Equipment / item
45	Perforated Cable Tray 500x100 mm Thickness 2 mm	3,000	Metres	Production Equipment / item
46	Perforated Cable Tray 400x100 mm Thickness 2 mm	3,000	Metres	Production Equipment / item
47	Perforated Cable Tray 300x100 mm Thickness 2 mm	3,000	Metres	Production Equipment / item
48	Perforated Cable Tray 200x100 mm Thickness 2 mm	3,000	Metres	Production Equipment / item
49	Perforated Cable Tray 100x100 mm Thickness 2 mm	3,000	Metres	Production Equipment / item
50	Utility Motor Vehicle (above 2700 CC)	10	Nos.	Project Management
51	Motor Vehicle payload above 10 tons	50	Nos.	Material transportation
52	Motor Vehicle payload upto 10 tons	50	Nos.	Material transportation
53	Trailers	50	Nos.	Material transportation
54	Fire Extinguishers	120	Sets	Factory utility item
55	Air Curtain	12	Sets	Production Equipment / item
56	Equipment Cleaning in Place (CIP) Plant	4	Set	Production Equipment / item
57	Cool Boxes	500	Nos.	Product distribution item
58	Plastic Crates	20,000	Nos.	Product distribution item
59	Stainless Steel Pipes and fittings - Process Water line	6	Lots	Production Equipment / item
60	Stainless Steel Pipes and Fittings - Chilled water line	6	Lots	Production Equipment / item
61	Stainless Steel Pipes and Fittings - Steam line	6	Lots	Production Equipment / item
62	Stainless Steel Pipes and Fittings - CIP line	4	Lots	Production Equipment / item
63	Stainless Steel Pipes and Fittings - Syrup line	4	Lots	Production Equipment / item
64	Seamless Flexible Pipes and Fittings	8	Lots	Production Equipment / item
65	Stainless Steel Pipes and Fittings - Gas line	6	Lots	Production Equipment / item
66	Air Conditioning Machines with accessories	20	Set	Production Equipment / item
67	Transformer 2500Kva	6	Nos.	Production Equipment / item
68	Incommer Indoor Primary 33kv Switchgear	6	Nos.	Production Equipment / item
69	Battery Charger fo MV breaker	4	Set	Production Equipment / item

BAKHRESA FOOD PRODUCTS LTD
PROJECT : UHAI DRINKING WATER PROJECT - UNIT II

TIN NO. 100-181-517

LIST OF CAPITAL AND DEEMED CAPITAL GOODS

SL. NO.	ITEM DESCRIPTION	QTY	UOM	Item Category (Pg-1)
1	Complete P.E.T. Injection Moulding System	6	Set	Production Equipment / item
2	Manufacturing line for production of plastic closures	6	Set	Production Equipment / item
3	Complete P.E.T. Blowing and Bottling Line	4	Set	Production Equipment / item
4	Complete Blow Moulding System	4	Set	Production Equipment / item
5	Complete Bottle Filling Line	4	Set	Production Equipment / item
6	Complete UPS equipment	12	Set	Production Equipment / item
7	Mould Set	24	Set	Production Equipment / item
8	Mould Trolley	20	Nos.	Production Equipment / item
9	Air drier low pressure	6	Set	Production Equipment / item
10	Air drier high pressure	6	Set	Production Equipment / item
11	Air filter set	15	Set	Production Equipment / item
12	Air tank low pressure	6	Nos.	Production Equipment / item
13	Air tank high pressure	6	Nos.	Production Equipment / item
14	Complete labeller equipment	4	Set	Production Equipment / item
15	Complete Overhead Crane system	4	Set	Production Equipment / item
16	Borehole pump	7	Nos.	Production Equipment / item
17	Booster pump	12	Nos.	Production Equipment / item
18	Water storage tank	2	Set	Production Equipment / item
19	Complete Water Chiller	15	Set	Production Equipment / item
20	Complete Air Chiller	6	Set	Production Equipment / item
21	Air recirculation units	30	Set	Production Equipment / item
22	Fan coils	30	Nos.	Production Equipment / item
23	Overhead crane	2	Nos	Production Equipment / item
24	Reverse Osmosis / Water treatment / Effluent treatment plant	6	Set	Production Equipment / item
25	Complete Steam Boiler	4	Set	Production Equipment / item
26	Low pressure air compressor	8	Set	Production Equipment / item
27	High pressure air compressor	6	Set	Production Equipment / item
28	Stainless Steel Mixing / Blending tank	15	Nos.	Production Equipment / item
29	Pressed Steel Sectional Tank	6	Nos.	Production Equipment / item
30	Voltage Stabilizers	12	Nos.	Production Equipment / item
31	Cooling tower	5	Set	Production Equipment / item
32	Pressure reducing valve station	4	Set	Production Equipment / item
33	Complete Cryogenic CO2 storage tank and Vapouriser	6	Nos	Production Equipment / item

CTIN: 0044863



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 3A(4) OF THE INCOME TAX ACT NO. 33 OF 1973)
AS AMENDED BY THE FINANCIAL LAWS (MISCELLANEOUS AMENDMENTS) 2000

THIS IS TO CERTIFY THAT

BAKHRESA FOOD PRODUCTS LIMITED

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

100-181-517

with effect from 01/07/1999

OFFICIAL SEAL


H. M. Kitillya
COMMISSIONER FOR INCOME TAX

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders

Shareholders	Nationality	Shareholding (%)
<u>Azam Marine Co.Ltd.</u>	<u>Tanzanian</u>	<u>10.45</u>
<u>Abubakar Said Salim</u>	<u>Tanzanian</u>	<u>29.85</u>
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<u>Said Salim Awadh</u>	<u>Tanzanian</u>	<u>29.85</u>
2. Proposed Activities : To establish the state of art plant for production of pure bottled drinking water
3. Sector: Manufacturing Subsector Drinking water
4. Investment cost: Foreign USD 0m. Local USD 31.463m. Total USD 31.463m.
5. Project Financing: Equity USD 11.963m. Loans USD 19.5m. Total USD 31.463m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>USD 0m.</u>	<u>USD 31.463m.</u>	<u>USD 31.463m.</u>
8. Technology Agreement None
9. Date of TIC Registration: 29th January 2014
10. Implementation period January 2014 - December 2016
11. Operative date..... January 2017
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
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13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
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 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished good are not allowed under this Certificate

Signed
Executive Director

Signature of Executive Director
14/1/2014
Tanzania Investment Centre



00220667

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No:042599.....

This is to certify that

BAKHRESA FOOD PRODUCTS LIMITED

of address P.O. BOX 2517

..... DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXX~~ enterprise known as

BAKHRESA FOOD PRODUCTS LIMITED

Which is located at PLOT NO. 46/4 PUGU NYERERE ROAD

..... ILALA - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 29TH JANUARY 2014



TIC **BAKHRESA FOOD PRODUCTS LIMITED**

P O BOX 2517 DAR ES SALAAM TANZANIA

Tel: +255 22 2180194 Fax: +255 22 2180167

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Ref: BFPL/TIC/UHAI-II/0214

11 February 2014

The Commissioner for Customs & Excise
Tanzania Revenue Authority
Dar es Salaam

Received on
14/2/2014

Executive Director
Tanzania Investment Centre
P. O. Box 938
Dar es Salaam



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Dear Sirs,

RE: EXEMPTION OF DUTY AND VAT ON PROCUREMENT OF CAPITAL GOODS AND DEEMED CAPITAL GOODS FOR APPROVED PROJECT UNDER CERTIFICATE OF INCENTIVES NO. 042599

We have been granted a Certificate of Incentives No. 024599 by the Tanzania Investment Centre for our project for production of bottle drinking water.

The project comprises of setting up production lines comprising of high technology equipments, construction of factory and warehouse space and developing required logistical infrastructure. The project execution will be done in a phased manner by December 2016. We are enclosing a complete list of items which have to be procured for implementation of the project.

Copies of the Certificate of Incentives and our TIN certificate are enclosed.

We request you to grant us exemption from import duty and VAT for the items included in the list.

Yours truly,

Bakhresa Food Products Ltd

Said Salim Awadh Bakhresa
Managing Director

Encl/- as above

BAKHRESA FOOD PRODUCTS LTD.
P. O. Box 2517
DAR ES SALAAM

ENTRIES IN THE REGISTER

TITLE No. 17507

GOVERNMENT LEASEHOLD

No. 11.00 Registered 25-3-69 at 10.00 a.m.
To SOLE TRADING CORPORATION
Declared Value Shs. 102,000/=.

[Signature]
Asst. Registrar of Titles

MORTGAGE

No. 100,275 Registered 5-9-94 at 10.00 a.m.
To NATIONAL BANK OF COMMERCE
(To secure an unspecified amount)
(Including T. 17506)

[Signature]
REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12.00 p.m.
To NATIONAL ENGINEERING COMPANY
LIMITED, of Box 1186 DAR-ES-SALAAM
Cons Shs 320,000/= (including
title no. 17506)

[Signature]
Asst. Registrar of Titles

CHANGE OF NAME
F.D. 100,275

No. 103684 Registered 13-4-99 at 10.55 A.M.
To NBC (1997) LIMITED
DISCHARGED - F.D. 103685
ON 13-4-99 AT 10.55 A.M.

[Signature]
REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 6024 Registered 23-1-73 at 10.15 a.m.
To THE NATIONAL BANK OF
COMMERCE.
ON 10-5-99 AT 1.00 PM

[Signature]
Asst. Registrar of Titles

TRANSFER

No. 140918 Registered 20.1.2012 at 9.00 Am
To MOHAMED MUNIF ABDALLAH
ALNAHDI OF P.O. BOX 20496, D'SALAAM
CONS. US\$1,500,000)

[Signature]
Sen. Asst. Registrar of Title

TRANSFER OR R/O.

Certified as a True Copy of the Original

SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for

No. 61733 Registered 16-10-73 at 10.00 a.m.
To TANZANIA INVESTMENT BANK
to secure Shs. 2,000,000/= (including title no. 17506)

No. 145932 Registered 21-8-2012 at 9.45 AM
To BAKHRESA FOOD PRODUCTS L
OF BOX 2517 D'SALAAM.
(INCONS OF USD 1,500,000)

[Signature]

SCHEDULE

TITLE NO.17507.

Conditions Imposed by the Former German Government

1. The registered owner shall at any time on demand of the Government and on receipt of a proportionate part of the original purchase price (Shs.6/= per hectare) and on payment of compensation for such expenditure as may have increased the value of the land, surrender and yield up such portion or portions of the land as shall be required for (a) the construction of railways, streets, roads, ditches, canals, telegraph lines including such protective strips as may be deemed necessary, and other public works, especially measures for drainage; (b) the getting and dumping of earth, stone and other material, and the dumping on the said land of such material got elsewhere and required for the said public works, even when such works are constructed only parallel to or abutting on the boundary of the said land, and the provision of necessary roads of access to such works.

2. The registered owner shall keep open for public traffic all existing roads and also, at the request of the Government, roads made by the registered owner so far as they traverse the said land.

(The foregoing is a translation of an extract from a Contract of Purchase dated 18th August, 1912 made between Landesfiskus of the one part and Paul Devers of the other part). *QR*

Certified as a True Copy of the Original

Shani Christoms
SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

ENTRIES IN THE REGISTER

TITLE No. 17507

GOVERNMENT LEASEHOLD

11.00

No. - Registered 25-3-69 at 8.00 a.m.

To STATE TRADING CORPORATION

Declared Value Shs. 102,000/=.

Ronolues

Asst. Registrar of Titles

MORIGAGE

No. 100,275 Registered 5.9.94 at 10.00 a.m.

DISCHARGED - F.D. 103685

ON 13-4-99 AT 10.55 A.M.
(To secure an unspecified amount)
(Including T. 17506)

JRH

REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12.00 p.m.

To NATIONAL ENGINEERING COMPANY LIMITED, of Box 1186 DAR-ES-SALAAM

Cons Shs 320,000/= (including title no. 17506)

Sambaya

Asst. Registrar of Titles

CHANGE OF NAME

F.D. 100,275

No. 103684 Registered 13-4-99 at 10.55 A.M.

To NBC (1997) LIMITED

DISCHARGED - F.D. 103685

ON 13-4-99 AT 10.55 A.M.

JRH

REGISTRAR Asst. Registrar of Titles

NOTICE OF DEPOSIT

No. 6024 Registered 23-1-73 at 10.05 a.m.

WITHDRAWN - F.D. 103755

THE NATIONAL BANK OF

ON 10-5-99 AT 1.00 P.M.

Alino

Sambaya

SEN. ASST. REGISTRAR of Titles

TRANSFER

No. 140918 Registered 20.1.2012 at 9.00 Am

To MOHAMED MUNIF ABDALLAH

ALNAHDI OF P.O. BOX 20496, D'SALAAM

CONS. US\$. 1,500,000)

Mohamed

Sen. Asst. Registrar of Titles

MORTGAGE

No. 61733 Registered 16-10-73 at 10.00 a.m.

To TANZANIA INVESTMENT BANK

to secure Shs. 2,000,000/=

Including title no 17506

DISCHARGED UNDER F.D. 100 275

Sambaya

No. - Registered - at - m

To -

Certified as a True Copy of the Original

SHANI CHRISTOMS

Advocate, Notary Public & Commissioner for Oaths

The Land Registration Ordinance (Cap. 334)

~~RIGHT OF OCCUPANCY~~

**CERTIFICATE OF TITLE TO GOVERNMENT
LEASEHOLD LAND**

This is to certify that leasehold land hereinafter described is registered in the Land Registry under Title No. 17507

Copies of the subsisting entries in the register are within.

Dated the 25th day of March 19 69

J. Sonalves
Asst. Registrar of Titles

Title No. 17507 Description of registered land:

ALL THAT piece or parcel of land situate on Pugu Road in the Municipality of Dar es Salaam containing approximately Five (5) acres or thereabouts and known as part of Plot No. 46/4, Enemy Property Lot No. 20 as delineated and edged in red on Survey Plan No. E¹/159^b/5847 annexed hereto.

SUBJECT to the obligations and restrictions as set out in the Schedule annexed hereto.

SUBJECT to the provisions of Section 88 as to Survey.

A/DAR/4515.

Certified as a True Copy of the Original

[Signature]
SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

ENTRIES IN THE REGISTER

TITLE No. 17503

GOVERNMENT LEASEHOLD

No. - Registered 25-3-69 at 11.00 a.m.

To STATE TRADING CORPORATION

Declared Value Shs. 112,300/=.

[Signature]
Asst. Registrar of Titles

MORTGAGE

No. 100,276 Registered 5-9-94 at 10.00 a.m.

To NATIONAL BANK OF COMMERCE

(To secure an unspecified amount)
(Including T. 15707)

[Signature]
REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 59634 Registered 25-8-72 at 12.18 p.m.

To NATIONAL ENGINEERING COMPANY LIMITED, of Box 1186, DAR-ES-SALAAM

(Cons. Shs. 320,000/= (including title No. 17507))

[Signature]
Asst. Registrar of Titles

CHANGE OF NAME

F.D. 100,276

No. 103684 Registered 13-4-99 at 10.55 A.M.

To NBCC (1997) LIMITED

DISCHARGED - F.D. 103685

ON 13-4-99 AT 10 55 A.M.

[Signature] *[Signature]*
REGISTRAR Asst. Registrar of Titles

NOTICE OF CERTIFICATE

No. 60247 Registered 23-1-73 at 10.15 a.m.

To WITHDRAWN - F.D. 103754

THE NATIONAL BANK OF COMMERCE.

ON 10-5-94 AT 1.00 P.M.

[Signature] *[Signature]*
SEN. ASST. REGISTRAR Asst. Registrar of Titles

TRANSFER

No. 140917 Registered 20-1-2012 at 1.00 a.m.

To MOHAMED MUNIF ABDALLAH

ALNAHDI OF P.O. BOX 20496, D'SALAAM.

(CONS. US. 1,500,000).

[Signature]
SEN. ASST. REGISTRAR Asst. Registrar of Titles

Certified as a True Copy of the Original

MORTGAGE

SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

No. 61733 Registered 16-10-73 at 10.00 a.m.

To TANZANIA INVESTMENT BANK

To secure Shs. 2,000,000/=

(Including title 17507)

[Signature]

TRANSFER OF R/O

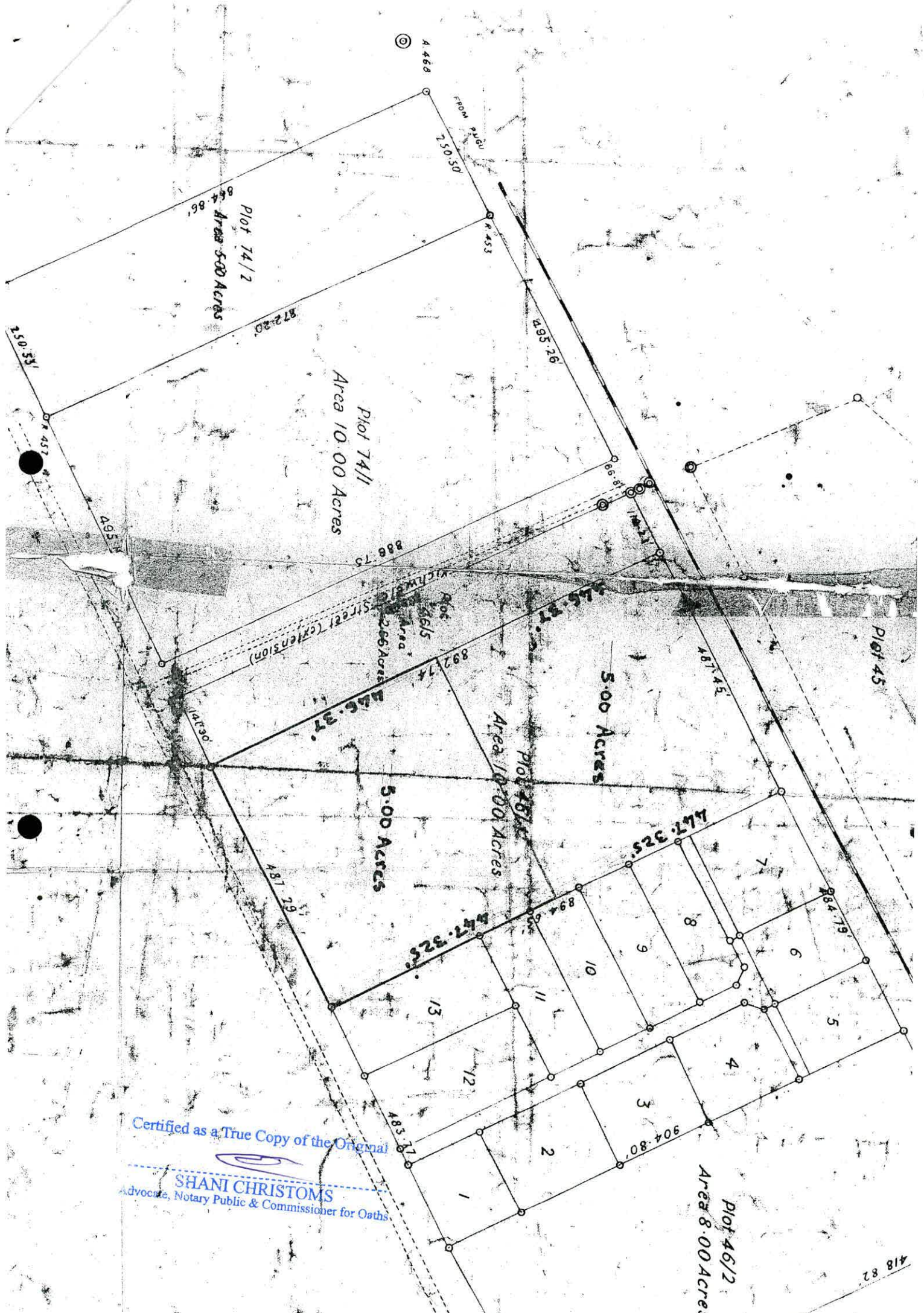
No. 145933 Registered 21-8-2012 at 9:14 a.m.

To BAKHREJA FOOD PRODUCTS LTD

OF BOX 2517 D'SALAAM

(INCONS OF USD 1,500,000/-)

[Signature]



Plot 74/2
Area 5.00 Acres

Plot 74/1
Area 10.00 Acres

5.00 Acres

Plot 46/1
Area 10.00 Acres

5.00 Acres

Plot 46/2
Area 8.00 Acres

Plot 45

Certified as a True Copy of the Original

SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

SCHEIN

FIELD NO. 17506.

Conditions Imposed by the Former German Government

1. The registered owner shall at any time on demand of the Government and on receipt of a proportionate part of the original purchase price (Shs. 6/= per hectare) and on payment of compensation for such expenditure as may have increased the value of the land, surrender and yield up such portion or portions of the land as shall be required for (a) the construction of railways, streets, roads, ditches, canals, telegraph lines including such protective strips as may be deemed necessary, and other public works, especially measures for drainage; (b) the getting and dumping of earth, stone and other material, and the dumping on the said land of such material got elsewhere and required for the said public works, even when such works are constructed only parallel to or abutting on the boundary of the said land, and the provision of necessary roads of access to such works.
2. The registered owner shall keep open for public traffic all existing roads and also, at the request of the Government, roads made by the registered owner so far as they traverse the said land.

(The foregoing is a translation of an extract from a Contract of Purchase dated 18th August, 1912 made between Landesfiskus of the one part and Paul Devers of the other part). *DS*

Certified as a True Copy of the Original
SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

ENTRIES IN THE REGISTER

TITLE No. 17506

GOVERNMENT LEASEHOLD

MORTGAGE

11.00

No. - Registered 25-3-69 at a. m

No. 100,276 Registered 5-9-94 at 10.00 a.m

To STATE TRADING CORPORATION

To NATIONAL BANK OF COMMERCE

Declared Value Shs. 112,300/=.

DISCHARGED - F.D. 103685
ON 13-4-99 AT 10.55 A.M.
(To secure an unspecified amount)
(Including T. 15707)

Renzalus
Asst. Registrar of Titles

JRH
REGISTRAR
Renzalus
Asst. Registrar of Titles

TRANSFER

CHANGE OF NAME

F.D. 100,276

No. 59634 Registered 25-8-72 at 12.00 p.m.

No. 103684 Registered 13-4-99 at 10.55 A.m.

To NATIONAL ENGINEERING COMPANY LIMITED, of Box 1186, DAR-ES-SALAAM

To NBCC (1997) LIMITED
DISCHARGED - F.D. 103685
ON 13-4-99 AT 10.55 A.M.

Cons Shs 320,000/= (including title No. 17507)

ambaya
Asst. Registrar of Titles

JRH
REGISTRAR
JRH
Asst. Registrar of Titles

NOTICE OF DEPOSIT

TRANSFER

No. 60247 Registered 23-1-73 at 10.15 a.m.

No. 140917 Registered 20-1-2012 at 1:00 a.m

WITHDRAWN - F.D. 103754
To THE NATIONAL BANK OF COMMERCE
ON 10-5-99 AT 1.00 P.M.

To MOHAMED MUNIF ABDALLAH
ALNAADI OF P.O. BOX 20496, DUSALAM.
(CONS. U.S. 1,500,000).

ambaya
SEN. ASST. REGISTRAR OF TITLES

Mohamed
SEN. ASST. REGISTRAR OF TITLES

MORTGAGE

No. 61733 Registered 16-10-73 at 10.00 a.m

No. Registered at m

To TANZANIA INVESTMENT BANK

To

To secure Shs. 2,000,000/=

including title 17507
DISCHARGED UNDER F.D. 100,276 ON 5-9-94 AT 10.00 a.m.

Certified as a True Copy of the Original

Shani Christoms
SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths

(5)

The Land Registration Ordinance (Cap. 334)



RIGHT OF OCCUPANCY
**CERTIFICATE OF TITLE TO GOVERNMENT
LEASEHOLD LAND**

This is to certify that leasehold land hereinafter described is registered in the Land Registry under Title No. 17506

Copies of the subsisting entries in the register are within.

Dated the 25th day of March, 19 69

R. S. S. S.
Asst. Registrar of Titles

Title No. 17506 Description of registered land:

ALL THAT piece or parcel of land situate on Pugu Road in the Municipality of Dar es Salaam containing approximately Five (5) acres or thereabouts and known as part of Plot No.46/4, Enemy Property Lot No.20 as delineated and edged in red on Survey plan No. E¹/159^b'/5847 annexed hereto.

SUBJECT to the obligations and restrictions as set out in the Schedule annexed hereto.

SUBJECT to the provisions of Section 88 as to Survey.

A/DAR/4514

Certified as a True Copy of the Original

SHANI CHRISTOMS
Advocate, Notary Public & Commissioner for Oaths



TIC Evaluation Report

Name of the Company
Bakhresa Food Products Ltd.

Post Box	Pugu Road (Nyerere Road) Plot No. 46/4	COI Number	33169-05	Contact	Mr. Said Salim Awadh Bakhresa
Post Office	2517	COI Date	15/12/97	Designation	Director
Region	Dar Es Salaam	Application F. No	11550	Phone	022 2180194
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Drinking Water	Fax	022 2180007
		File No	042599	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Block	Plot No. 46/4	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>11.963</td> <td>0</td> <td>19.5</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	11.963	0	19.5			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	11.963		0	19.5									
Street	Pugu (Nyerere) Road												
District	Ilala												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
Azam Marine Co. Ltd.	Tanzanian	10.45	7.2	17.263
Abubakar Said Salim	Tanzanian	29.85	Vehicles	6.5
Fathiya Ahmed	Tanzanian	29.85	Furniture & Fittings	0.5
Said Salim Awadh	Tanzanian	29.85	Pre-expenses	0
			Others	0
			Working Capital	1
			Total	32.463

Employment	390	Evaluated By	wf officer3
Capacity	572.4 million litres pa.	Drawn By	wf registry1
Project Turn Over		Project Type	Local

Description

To establish the state of art plant for production of pure bottled drinking water

Recommendations

Be approved subject to providing evidence as required by section 17 of Tanzania Investment Act, 1997

Decision



TICC/PP.10/042599/3

3rd February, 2014

Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of the Certificate of Incentives. Please make deposit direct to the bank as per bank details below:-

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

We wish you every success in the implementation of the project.

Yours sincerely,

Tanzania Investment Centre



Juliet R. Kairuki

EXECUTIVE DIRECTOR

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry, Trade and Marketing,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM

TICC/PP.10/042599/3

3rd February, 2014

Managing Director,
Bhakhresa Food Products Ltd
P.O. Box 2517

DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR PRODUCTION OF PURE BOTTLED DRINKING WATER

We wish to acknowledge receipt of your project proposal to establish and operate state of art plant for production of pure bottled drinking water as presented in the TIC P.A. 1 Form No. 11550 and Feasibility Study with a projected investment amounting to USD 32.463 m.

We are pleased to inform you that your investment proposal is now officially registered by TIC and therefore the project will be granted a Certificate of Incentives under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act.
- Certified document showing evidence of Land ownership for the location of the project

Also be informed that you will have to submit a project implementation Progress Report on the implementation of the project in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises.

.../2

Unclaimed refund beyond three years will be forfeited

9



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REG 14321

No. 008243

Received from : BAKHRESA FOOD PRODUCTS LTD

Address

Received the sum of (In words): ONE THOUSAND AND ZERO ONLY

TANZANIA INVESTMENT CENTRE
RECEIVED
6 FEB 2014
P. O. Box 938
DAR-ES-SALAAM

Being payment in respect of : CERTIFICATE OF INCENTIVES

Amount : USD 1,000.00

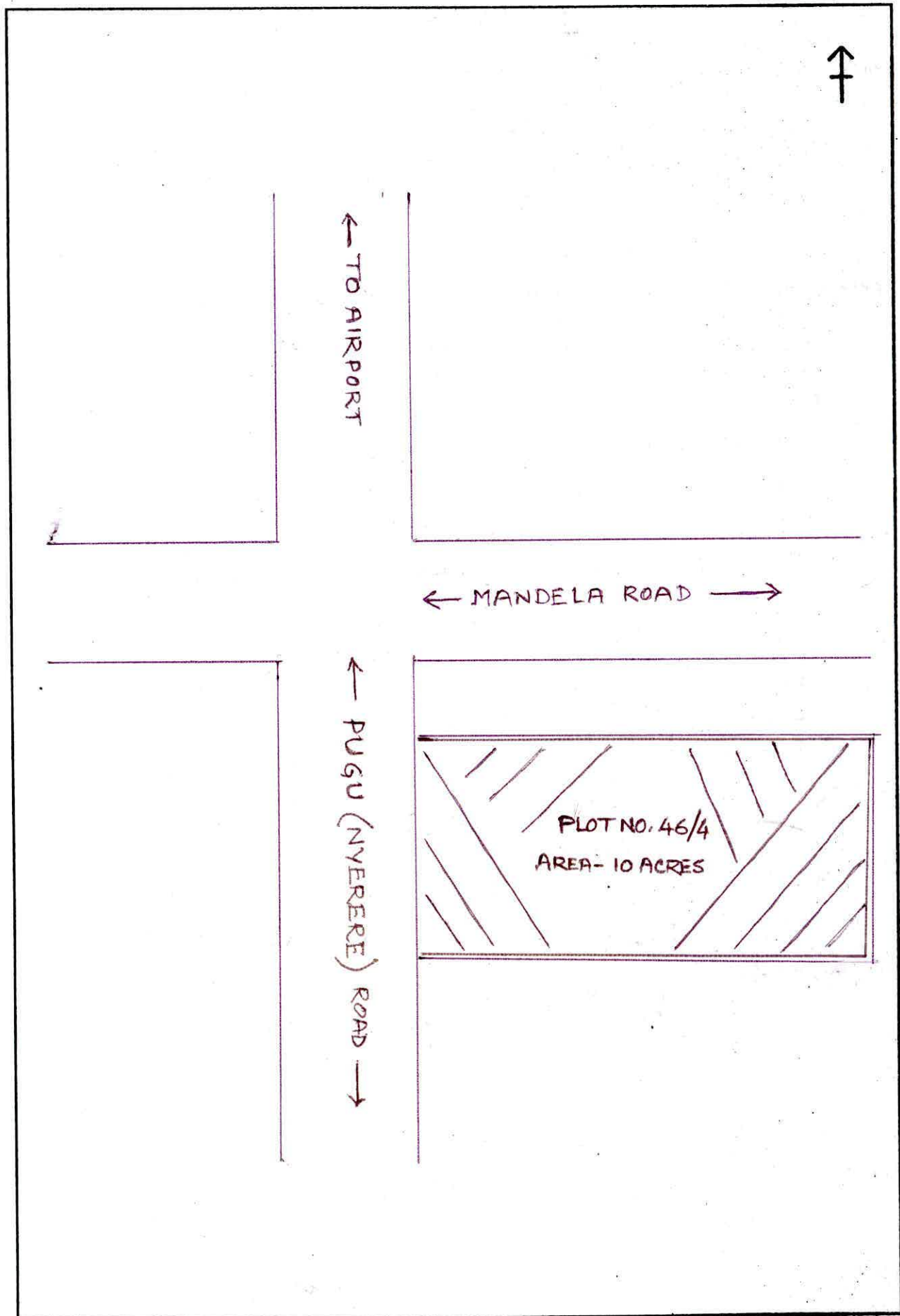
Cash / Cheque No: D/Deposit 03/02

Date : 06-Feb-2014

BUisso

Receiving Officer

SKETCH MAP SHOWING PROJECT LOCATION



← TO AIRPORT

← MANDELA ROAD →

← PUGU (NYERERE) ROAD →

PLOT NO. 46/4
AREA- 10 ACRES

Investment Breakdown ~~US\$/Tsh.M.~~

Land/Building 7,200,000.00
Plant 17,263,000.00
Vehicles 6,500,000.00
Furniture & Fittings 500,000.00
Pre-expenses —
Others —
Working Capital 1,000,000.00
TOTAL 32,463,000.00

Contact Details:

Name: SAID SALIM AWADH BAKHRESA Title: DIRECTOR
Telephone: 2180194 / 2180007 Fax: 2180167
Email: saibal@bakhresa.com

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: SCBLTZTX
ACCOUNT NO.: 8702006002000

APPLICATION SUMMARY

Company Name: BAKHRESA FOOD PRODUCTS LTD

Certificate of Incorporation Number: 33169

Status: LIMITED COMPANY

Certificate of Incorporation Date: 15/12/1997

Post Box: 2517

Town: DAR ES SALAAM

Sector: PRIORITY

Sub-Sector: MANUFACTURING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>—</u>	<u>11,963</u>	<u>—</u>	<u>19,500</u>

Project Objectives: SETTING UP A STATE OF THE ART PLANT FOR
PRODUCTION OF PURE BOTTLED DRINKING WATER FOR DISTRIBUTION
IN THE LOCAL AND EXPORT MARKETS.

Capacity: 572.4 MILLION LITRES PER ANNUM

Employment: Foreign: 15 Local: 375 Total: 390

Implementation Period: 2 YRS 10 MONTHS

Project Location

Site/Plot/Block No.: PLOT NO. 46/4

Street: PUGU ROAD (NYERERE RD) District: ILALA Region: DAR ES SALAAM
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>SAID SALIM ANADH</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>FATHIYA AHMED</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>ABUBAKAR SAID SALIM</u>	<u>TANZANIAN</u>	<u>29.85</u>
<u>AZAM MARINE CO. LTD</u>	<u>TANZANIAN CO.</u>	<u>10.45</u>
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 31,463,000/=
8. The month and day of the financial year end is DECEMBER 31ST

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SAID SALIM AWADH BAKHRESA of Post Office Number 2517, DAR ES SALAAM.

..... do solemnly and sincerely declare that I am a director/duly

authorized agent of BAKHRESA FOOD PRODUCTS LTD.

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND I** make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }
..... }

The 18TH day of DECEMBER, 2013... }


Applicant

Before me:




.....
Commissioner for Oaths

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We MR. SAID SALIM AWADH BAKHRESA
(director/directors/agent of BAKHRESA FOOD PRODUCTS LIMITED
(name of business enterprise) apply for registration of INVESTMENT PROJECT

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT NO. 1, BLOCK - 15
LIVINGSTONE STREET, DAR ES SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the **implementation period**, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at SAME AS ABOVE
4. The Principal Officers of the Company are MR. SAID SALIM AWADH BAKHRESA,
MRS. FATHIYA AHMED, MR. ABUBAKAR SAID BAKHRESA
5. Auditors of the Company are BAKER TILLY DGP & CO.
CERTIFIED PUBLIC ACCOUNTANTS, P.O. BOX 1314, DAR ES SALAAM
6. The authorized share capital of the Company is Tshs. ~~155~~ 500.0 MILLION



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

9540

Unclaimed refund beyond three years will be forfeited



11550

TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC013561

Received from : BAKHRESA FOOD PRODUCTS LTD

No.007509

Address


Received the sum of (In words): ONE HUNDRED AND ZERO CENTS ONLY

Being payment in respect of: REGISTRATION FEE

Amount : USD 100.00

Cash / Cheque No: D/Deposit

Date : 20-Nov-2013

BUisso 
Receiving Officer

For Executive Director
Tanzania Investment Centre

Aug 11

53980

BAKHRESA FOOD PRODUCTS LIMITED

P O BOX 2517 DAR ES SALAAM TANZANIA

Tel: +255 22 2180194 Fax: +255 22 2180167



Ref: BFP/TIC/UHAI -II/1213

18 December 2013

TIC Registry Department
Tanzania Investment Centre
P O Box 938
Dar es Salaam



Dear Sir,

Re: Application for project approval

We hereby submit our application for registration of our project "Uhai Drinking Water Project – Unit II". The project involves setting up a modern production facility at Plot 46/4 Pugu Road, Buguruni, Dar es Salaam for production of purified Drinking Water in P.E.T bottles.

We have enclosed the following documents for your kind consideration:

TIC Application (duly filled) – 3 copies
Project feasibility study – 3 copies
Management Accounts up to 30th September 2013
Copies of Audited accounts for 2010, 2011 & 2012
Memorandum and Articles of Association
Certificate of Incorporation
Profile of Investors
Loan letters from banks
Board Resolution
Project implementation schedule
Land Title Deed

We hope that our application for approval of this expansion project is granted your approval. We can assure you that this project will go a long way in contributing to the well being of the economy and people of Tanzania.

Yours faithfully,

Bakhresa Food Products Ltd

Said Salim Awadh Bakhresa
Managing Director

Encl/- as above

MINUTE SHEET

Dokezo
No. 3.

D1F

I am submitting to you a draft letter for
your signature - see p. 11.

Pto
11.11.2016

MINUTE SHEET

EXD

No.

1.0

The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 32.463
- (b) Legal entity has been incorporated under certificate

No. 33169-05 of 15/12/92

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.


N. Senzia

DIF
3rd February, 2014

APPROVED BY EXD
Sign: 
Date: <u>04/02/14</u>

2.0

EXD



ASX

In response to the TIC letter of registration dated 3/02/2014

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from NMB Bank Plc
- (c) Title Deeds

With the above submission EXD is requested to sign Certificate of Incentives No. 042599 herein attached.


17/02/2014
13/02/2014