

**FARM FOR THE FUTURE TANZANIA LTD
MAZOMBE ILULA
P.O. BOX 181- IRINGA**

**FINANCIAL STATEMENT FOR 18 MONTHS AS AT
30 SEPTEMBER, 2019**

KADA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 38505
DAR ES SALAAM

**FARM FOR THE FUTURE TANZANIA LTD
MAZOMBE - ILULA
P.O. BOX 181
IRINGA**

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FARM FOR THE FUTURE TANZANIA LTD

KEY INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

FARM FOR THE FUTURE TANZANIA LTD
Mazombe Ilula,
Kilolo District,
P.O.Box 181,
Iringa,
Tanzania

BANKERS

CRDB Bank Plc,
Iringa Branch,
P.O.Box 168
Dar es Salaam,
Tanzania

AUDITORS

KADA & ASSOCIATES,
Certified Public Accountants,
1st Floor Old Post Office Building Sokoine Drive,
P.O.Box 38505,
Dar es Salaam,
Tanzania

FARM FOR THE FUTURE TANZANIA LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30th September 2019

The directors present their report together with the Audited Financial Statements for the year ended 30th September 2019, which discloses the state of affairs of FARM FOR THE FUTURE TANZANIA LTD ("the company") as at that date.

1. INCORPORATION AND REGISTERED OFFICE

The company was incorporated in Tanzania on 17th April, 2018 with registration No. 136366610 under the Tanzania Companies Act.2002; its registered office is on Ifunda Ward, Mazombe –Ilula, Kilolo District and P.O.Box 181, Iringa Region.

2. PRINCIPAL ACTIVITIES

The principal activity of the company is Commercial Agriculture Farming on a Leased Land of about 260 hectares, located at Mazombe Ilula Area, Kilolo District in Iringa Region, Tanzania. The Farm operating Area has been leased from Ilula Orphan Program for the Period of 20 years renewable for another 20 years ahead.

3. FINANCIAL STATEMENTS

The performance of the company for the year 2019 is set out on page 9 of these financial statements.

4. DIVIDENDS

The directors do not recommend the payment of dividend for the year 2019 due to operational loss incurred.

5. SOLVENCY

The company's state of affairs as at 30th September, 2019 is set out on page 9 of these financial statements. The Board considers the company to be solvent within the meaning ascribed by the Tanzania Companies Act.2002.

6. ADMINISTRATIVE MATTERS

The company is capable of handling all administrative matters.

7. OWNERS OF THE COMPANY

No.	Name	Nationality	Shareholding	Shareholding Structure (%)
1	Ilula Orphan Program (IOP)	Tanzanian	510 shares	51%
2	Dr. Peter W.Mtakwa	Tanzanian	100 shares	10%
3	Mr. Osmund Ueland	Norwegian	100 shares	10%
4	UN ALLOTTED		290 shares	29%
	Total		1,000 shares	100%

8. DIRECTORS

The company directors who served during the year and up to the date of this report were:

No.	Name	Nationality	Position
1	Mr. Osmund Ueland	Norwegian	Chairperson
2	Mr. Edson Ernest Msigwa	Tanzanian	Vice Chairperson
3	Dr. Peter Wilson Mtakwa	Tanzanian	Director
4	Mr. Alexandre Macedo	Brazilian	Director
5	Mr. Helen Joseph Chisanga	Tanzanian	Director

9. AUDITORS

KADA & ASSOCIATES has indicated their willingness to continue in office and are eligible for reappointment.

BY ORDER OF THE BOARD



Chairperson and Project Manager

13/12-2019

Date



FARM FOR THE FUTURE TANZANIA LTD

DIRECTORS' RESPONSIBILITIES

FOR THE PERIOD ENDED 30th September 2019

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position as at 30th September 2019, and Statement of Comprehensive Income, the Statement of Changes in Equity and Cash Flows Statement for the year then ended, and the accompanying Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance to the International Financial Reporting Standards and in the manner required by the Tanzania Companies Act 2002.

The directors' responsibility includes: Designing, Implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are accurate, while selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and believe that the business will continue to be a going concern in the period ahead.

Approval of the financial statements

The financial statements of the company, as indicated above, were approved by the board of directors on November 26, 2019 and are signed on its behalf by:



Chairperson and Project Manager

13/12-2019

Date



**DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF FARM FOR
FUTURE TANZANIA LTD**

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

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

I, Edith Phileas..... being the Head of Finance/Accounting of **FARM FOR THE FUTURE TANZANIA LTD** hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30.09.2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of **FARM FOR THE FUTURE TANZANIA LTD** as on that date and that they have been prepared based on properly maintained financial records.

Signed by: Edith Phileas Phileas

Position: Accountant

NBAA Membership No. GA 6462

Date: 13/12/2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FARM FOR THE FUTURE TANZANIA LTD

Unqualified Opinion

We have audited the annual financial statements for 18 months of MS FARM FOR THE FUTURE TANZANIA LTD FFF (T), which comprises the Statement of Financial Position as at 30th September 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, the financial statements give a true and fair view of the financial position of MS FARM FOR FUTURE TANZANIA LTD as at 30 September 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards

Basis of our Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the FARM FOR THE FUTURE TANZANIA LTD in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), and the Tanzania Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FFF (T)'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on

the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FFF (T)'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the FARM FOR THE FUTURE TANZANIA LTD to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of FFF (T)'s audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

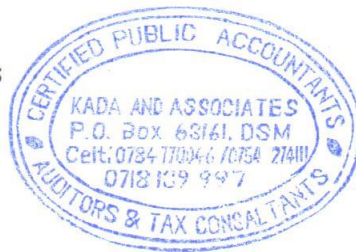
Report on other Legal and Regulatory Requirements

In our opinion, proper accounting records have been kept by the company and the financial statements referred to in the preceding paragraphs are in agreement with the accounting records.

Certified Public Accountants



A. Dallo (FCPA 771)
Partner
Dar es Salaam.



DATE:

FARM FOR THE FUTURE TANZANIA LIMITED
STATEMENT OF FINANCIAL POSITION FOR EIGHTEEN MONTHS AS AT
30 SEPTEMBER, 2019

ASSETS EMPLOYED	NOTE No.	TSHS 2019
NON CURRENT ASSETS		
Land and Buildings	10	516,860,356
Machines & Equipment	10	26,825,377
Office Furniture & Equipment	10	40,493,273
Computer Equipment	10	5,927,919
Office Equipment	10	51,896,133
Tractor	10	465,806,879
Motor Vehicle	10	52,270,533
Total non-current Assets		1,160,080,470
CURRENT ASSETS		
Cash and cash Equivalent	2	89,799,077
STOCKS/Inventory	3	718,816,548
Debtors and prepayment	4	24,207,980
Prepaid Tax	5	1,750,000
Total current Assets		834,573,606
Total Assets		1,994,654,076
CAPITAL AND LIABILITIES		
Share Capital	11	1,422,403,790
Retaining Earning		(760,688,768)
Total Equity		661,715,022
NON CURRENT LIABILITIES		
CRDB BANK Loan	12	132,000,000
Total Noncurrent liabilities		132,000,000
CURRENT LIABILITIES		
Creditors and Accruals	6	1,200,939,054
Total current liabilities		1,200,939,054
Total Equity and Liabilities		1,994,654,076

Note No. 1 to 15 Form Part of these Accounts

Director *[Signature]*

Director *[Signature]*

Date *13/12-2019*

Date *15/12/2019*



FARM FOR THE FUTURE TANZANIA LIMITED

**COMPREHENSIVE INCOME STATEMENT FOR EIGHTEEN MONTHS
ENDED AT 30 SEPTEMBER 2019**

INCOME	NOTE	2019
		TZS
Sale		95,560,000
Less: Cost of goods sold	7	198,951,821
Gross profit(Loss)		(103,391,821)
Add: Other Income	8	10,407,916
Total income(Loss)		(92,983,905)
EXPENCES		
Operation Expenses	9	667,704,864
Total Expenses		667,704,864
Profit/Loss before Tax		(760,688,768)
Less: Tax for year		-
Profit/Loss After Tax		(760,688,768)

Note No. 1 to 15 Form Part of these Accounts

Director *[Signature]*.....

Director *[Signature]*.....

Date *13/12-2019*.....

Date *15/12/2019*.....



FARM FOR THE FUTURE TANZANIA LIMITED
CASHFLOW STATEMENT FOR THE PERIOD ENDED
31ST SEPTEMBER 2019

	TSHS
	2019
CASH FLOW OPERATING ACTIVITIES	
Profit/(loss) on Accounts	(760,688,768)
Add Depreciation	227,753,711
Cash flow from Operations	(532,935,057)
Working Capital Changes	
Increase/Decrease in Inventory	(718,816,548)
Increase/Decrease in Debtors	(24,207,980)
Increase/Decrease in Creditors	1,200,939,054
Tax prepayment	(1,750,000)
Net cash flow from operating activities	(76,770,532)
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of Property Plan and Equipment	(1,396,324,181)
CASH FLOW FROM FINANCING ACTIVITIES	
Capital	1,422,403,790
Loan	132,000,000
Opening cash and cash Equivalent as at 1.04.2018	
Cash and cash Equivalent as at 30.09.2019	89,799,077

Note No. 1 to 15 Form Part of these Accounts

Director *[Signature]*

Director *[Signature]*

Date *13/12-2019*

Date *15/12/2019*



FARM FOR THE FUTURE TANZANIA LIMITED
STATEMENT OF CHANGE IN EQUITY AS AT 30 SEPTEMBER 2019

PARTICULARS	SHARE CAPITAL TZS	RETAINED EARNING TZS	TOTAL TZS
Balance as 01.04.2018	1,422,403,790		1,422,403,790
Additional			
Profit for the year		(760,688,768)	(760,688,768)
Drawings	-		-
			-
Balance as at 30.09.2019	1,422,403,790	(760,688,768)	661,715,022

Note No. 1 to 15 Form Part of these Accounts

Director

[Signature]

Date 13/12-2019

Director

[Signature]

Date 15/12/2019



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1.1 Principal Business Activities

The core activity is to undertake commercial agriculture farming. The Principal Activities is undertaken on a leased land occupying about 260 hectares for 20years renewable for another 20 years ahead.

1.2 Property, Plant and Equipment

Property, plant and Equipment were initially recorded at cost. Subsequent costs are included in the assets carrying amount only when it is probable that the future economic benefits associated with the item will flow to the business and the cost of an item is measured reliably.

1.3 Depreciation of Assets

Depreciation of Assets begins when it is available for use and ceases at the earlier of the date that the assets are classified as held for sale in accordance with IFRS 5.

Depreciation expenses on tangible and intangible assets have been charged on a straight line Method using approved rates shown hereunder:

Particulars	Rate
Land	0%
Building	12.5%
Furniture, Fittings and fixture	20%
Machine % Equipment	33.3%
Office Equipment	20%
Computer Equipment	33.3%
Motor vehicle	20%
Tractor	20%

NOTE 2: CASH AND CASH EQUIVALENTS

Cash
Operating CRDB Bank Account
Project CRDB Bank Account
Share CRDB Bank Account
Project CRDB USD Bank Account
Share CRDB USD Bank Account
TOTAL

30`09.2019
TZS
1,044,250
3,169,124
148,448
2,738,501
73,057,867
9,640,887
89,799,077

NOTE 3: STOCKS/Inventory

Bens	2,665,404
Maize	685,078,536
Fertilizer	8,099,844
Fuel	906,766
Seeds	3,771,107
Chemical	16,419,890
Empty Bags	1,875,000

718,816,548**NOTE 4: TRADE AND OTHER RECEVABLE**

Staff Loan	1,300,000
Prepaid Insurance	5,426,230
Prepaid Rent	330,000
ACE NGO	17,151,750

24,207,980**NOTE 5: TAX**

Net income(tax for year)	-
less provision Tax	1,750,000
Balance to Retaining Earning	(1,750,000)
Add Balance from previous year	
Balance carried Forward	<u>(1,750,000)</u>

NOTE 6: TRADE AND OTHER PAYABLES

Bogh Hafso Bilforretning	45,131,022
Osmund Ueland	110,610,897
RANDIRUNA S FLESLAND	68,578,440
Agronomisk Laeringsarena Tanzania	15,372,000
other Accruals	1,030,000
KANU EQUIPMENT	30,000,000
Audit Fees Payable	15,469,800
Storage Payable	17,655,343
interest Payable	6,738,218
Other Creditor	883,077,334
ILULA ORPHAN PROGRAM	7,276,000
TOTAL	<u>1,200,939,054</u>

NOTE 7: COST OF GOOD SOLD

Open stock	-
Add: Cost of production	886,695,761
Goods available for sale	<u>886,695,761</u>
Less; Closing stock	687,743,940
Cost of goods sold	<u>198,951,821</u>

NOTE 8: OTHER INCOME

Equipment Hire	10,158,000
Gain on exchange rate	249,916
TOTAL	<u>10,407,916</u>

NOTE 9: OPERATION EXPENSES

Advertising and Promotion	19,678,850
Payroll	35,907,369
Insurance Expense	13,360,144
Loan Interest Expense	6,738,218
Loan Processing Cost	4,914,000
Farm Infrastructure	34,082,850
Office Supplies	22,693,915
Postage & Delivery	725,200
Depreciation Expense	227,753,711
Repair Of Building	5,888,707
Repair of Motor Vehicles	2,921,800
Consultancy fees	127,880,003
Audit Fee	15,469,800
Legal Fee	8,187,176
House Rent	5,280,000
Software	240,000
Penalty & Fines	900,000
Telephone	3,655,000
Internet	20,765,700
Membership fee	7,923,950
Electricity	2,288,030
Security Expenses	17,992,000
Training	10,231,500
Travel	54,395,455
Donation	325,000
Permits Expenses	6,975,350
Bank Charges	5,757,136
Canteen Expenses	4,774,000

667,704,864

Note no.10 PROPERTY ,PLANT AND EQUIPMENT

PARTICULAR	COST		DEPRECIATION				AMOUNT IN BOOKS 30.09.2019 TSHS	
	COST	ADDITIONS	COST	ACCUMULATED DEPRECIATION	RATE	CHARGE FOR YEAR		ACCUMULATED DEPRECIATION
	1.04.2018 TSHS	TSHS	30.09.2019 TSHS	1.10.2018 TSHS	%	TSHS		30.09.2019 TSHS
Building		590,697,550	590,697,550		12.5 %	73,837,194	73,837,194	516,860,356
Machines & Equipment		34,941,000	34,941,000		33.3 %	8,115,623	8,115,623	26,825,377
Furniture & Fixtures		55,218,100	55,218,100		20.0 %	14,724,827	14,724,827	40,493,273
Computer Equipment		10,670,220	10,670,220		33.3 %	4,742,301	4,742,301	5,927,919
Office Equipment		66,136,962	66,136,962		20%	14,240,829	14,240,829	51,896,133
Tractor		575,778,281	545,778,281		20%	109,971,402	109,971,402	465,806,879
Motor Vehicles		54,392,068	54,396,068		20%	2,121,535	2,121,535	52,270,533
Total	-	1,387,834,181	1,387,834,181	-		227,753,711	227,753,711	1,160,080,470

Note no.11 Share Capital

Authorized Share Capital is Tshs 3,000,000,000 divided into 1,000 shares of Tshs 3,000,000.00 each.

Name of Shareholders-	shares %	Allocated TSHS	Paid up Shares Tshs	Balance due Tshs
ILULA OPHARN PROGRAM-	51%	1,530,000,000	1,420,403,790	109,596,210
DR PETER WILSON MTAKWA	10%	300,000,000	1,000,000	299,000,000
MR. OSMUND UELAND	10%	300,000,000	975,000	299,025,000
UN ALLOTTED SHARES	29%	870,000,000	0	870,000,000
Total	100%	3,000,000,000	1,422,378,790	1,577,621,210

Note No. 12 CRDB Bank Loan

The company had secured a loan from CRDB Bank of Tshs 132,000,000 at the interest of 20% per annum with condition of repayment of outstanding CRDB Bank Loan and any interest accrued thereon from time to time, shall be repaid in semi-annual installments.

Note No.13 Contingency Liabilities

There were no Contingency liabilities for the period ended 30.09.2019

Note no.14 Capital Commitments

There were no Capital Commitments for the period ended 30.09.2019

Note No. 15 Comparative Figures

There were no comparative figures since this is the first time Financial Statements of the company since Its incorporation.