BUSINESS PLAN

FOR

ESTABLISHMENT OF SISAL PROCESSING PLANT SUBMITTED AT

TANZANIA INVESTMENT CENTRE (TIC)

PREPARED BY:
WINAFR COMPANY LIMITED
P.O.BOX 587
KOROGWE - TANGA

INTRODUCTION

WINAFR COMPANY LIMITED, is a company registered in Tanzania under the Companies Act, Cap 212 on 27th July 2017 and issued with a Certificate of Incorporation Number 136750 and registered with Tanzania Revenue Authority (TRA).

PROJECT OBJECTIVES

The main objective of this Proposal is to submit at TanzaniaInvestment Centre (TIC) applying for Certificate of Incentives on exemptions for fiscal incentives i.e.reduces the tax burden to facilitate a company on its plan to establish sisal processing plant in Tanga targeting both import and export market.

Sisal is a species of Agave native to southern Mexico and widely cultivated and naturalised in many other countries. It yields a stiff fibre that is used in making various products. In the past, several species of Agave were used forfibre production, but presently A. sisalana is commercially grown species. The botanical name of the sisal plant is Agave sisalana and the genus Agave L. of the Agavaceae family, which contains about 300 species.

Sisal was originally grown in southern Mexico but widely cultivated and naturalised in many other countries. It has been widely introduced in the tropics and subtropics, in India between 1885 and 1892, in Tanzania in 1893, in Brazil at the end of 19th Century, and in Kenya between 1903 and 1908. The first commercial plantings in Brazil were made in the late 1930s and thefirst sisal fibre exports from there were made in 1948.

Until the 1960s, Tanzania was the leading producer of sisal, but since then Brazil has become the major world producer of sisal, followed by Tanzania, Kenya, Madagascar and China. Other countries in Africa that commercially produce sisal include Guinea, the Central African Republic, Ethiopia, Malawi,

Mozambique, Angola, South Africa and Morocco. Sisal has also been grown in Uganda, Zimbabwe and Mauritius.

PROJECT OWNERSHIP

WINAFR COMPANY LIMITED, is the Company limited by shares locally, registered under the Company's Act, 2002, and comprises of both local and foreign Shareholders, the following are the names, nationality and number of shares for each shareholder; -

NO.	NAMES of SHAREHOLDERS	NUMBER OF SHARES DISTRIBUTED	NATIONALITY
1.	Chen Boyou	8000	Chinese
2.	Zhao Xiaolin	1800	Chinese
3.	BENQUAN JIA	200	Chinese

PROJECT INVESTMENT

WINAFR COMPANY LIMITED, is estimated capital investment cost of the project is USD 2,022,061.3 which will be used in the following distribution; -

Sn	Items	Amount in USD
1.	Land and Building	25,751.0
2.	Machinery and Equipment	21,459.0
3.	Motor vehicle	8,584.0
4.	Working Capital	1,966,267.3
5.	**Total**	**2,022,061.3**

The Total Investment of USD 2,022,061.30 shall be financed as follows: -

SOURCE	USD
FIXED ASSETS	
Equity (40%)	17,682.4
Long-term loan (60%)	26,523.6
Sub total	44,206.0
WORKING CAPITAL	
Bank overdraft (75%)	1,474,700.5
Equity (25%)	491,566.8
Subtotal	1,966,267.3
GRAND TOTAL	**2,022,061.3**

PROJECT SUSTAINABILITY

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed.

PRODUCTION CAPACITY

WINAFR COMPANY LIMITED, is initially expect to produce approximately 5,000 tons of sisal products i.e. Fibre per annum and expect to increase its production to 10,000 – 15,000 tons per annum to meet the growing internal and foreign market demand.

The production area under sisal in South Africa is 17,000 ha. Of this, 10,000 ha is situated in the homelands and 7,000 ha in commercial farming areas. Production has increased slightly due to replanting maturity.

South Africa produces 2000 tons of sisal a year, of which 1 800 tons come from three commercial farms and 200 tons from the remaining 20 state owned farms many of which are just starting to become operational again

after a decrease in sisal over the past decade.

In terms of production, sisal occupies the 6th place among fibre plants, representing 2% of the world's production of plant fibres, and it accounts forabout 70% of the world's hard fibres. The total annual production of sisal fibre varies, depending on demand, climatic conditions and cultivation.In theyear 2007, annual production of sisal in the world has been recordedas 250thousand tons. The main producers are in Africa: Angola, Ethiopia, Kenya, Madagascar, Mozambique, South Africa and Tanzania; and in Latin America:Brazil, Haiti, Jamaica, Venezuela; and in China. The production was also in approximately 110, 000 t in Brazil; 90, 000 t in Cuba; 40 000 t in China; 40, 000
t in Tanzania; 30, 000 t in Kenya; 11, 000 t in Venezuela; 2,000 t in South Africa and 1,000 t in India.

Production in 2008 was approximately 23,000 tons per annum in Tanzania, plus some 7,000 tons from Lake Sisal (not exported), 23,000 tons in Kenya and 8,000-10,000 tons in Madagascar. There is also production in Southern China that is estimated to be around 25,000 tons for domestic consumption and smaller quantities in Mozambique, Venezuela and Cuba.

Brazil is the largest world producer of sisal fibre with 130,000 tons/year. Besides Brazil, sisal is also produced in Mexico (45,000 tons/year); China (36,000 tons/year); Tanzania (24,000 tons/year); Kenya (25,000 tons/year) and Madagascar (15,000 tons/year), in 2011. Of Brazilianproduction, 70% isexported in the form of raw fibre and manufactured products.

In 2011, Brazil was by far the most important sisal producing country, followed by Tanzania and Kenya. Others are South Africa, India and Mexico. China and India are on the way to become important producers of sisal. Sisal in Brazil is produced by smallholders, while sisal in other production countries is commercially produced on medium to large-sized plantations.

World production of sisal continued to be dominated by Brazil in 2012, accounting for 34,6 percent of the global total; followed by China (22,6 percent); Tanzania (16,4 percent); Kenya (12,9 percent); Madagascar (3,8 percent); and other countries (9,7 percent).

TABLE 2 The world's top 5 producer of sisal from 2005 to 2013

Countries	Average quantities/values (tonnes)
Brazil	231,535.75
United Republic of Tanzania	27,460.50
Kenya	24,678.25
Mexico	18,047.50
Madagascar	17,463.75

Source: FAOSTAT, 2014


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UTILIZATION

TRADITIONAL, High-grade sisal fibres are made into yarns (either on their own or in blends with wool or acrylic) and used in carpets. Medium-grade fibres are made into cordage, ropes and balertwine for agricultural and industrial use and they are particular useful in a marine environment as they are resistant to deterioration by salt water.

SISAL PULP AND PAPER, Sisal biomass contains a high proportion of cellulose; its pulp is a substitutefor wood fibres and adds bulk to paper and cardboard as well as being absorbent and has a high fold endurance characteristic, making it a high- quality input for paper products. It can be used in cigarette paper filters and also tea bags.

TEXTILE, A major use of the fibre is in buffing cloth, because sisal is strong enough topolish steel and soft enough not to scratch it, Sisal is a reinforcing composite. Sisal can be used to substitute or enhance fibreglass and used to reinforce plastic in automobiles, boats, furniture, water tanks and pipes. Sisal can also be used to add strength in cement mixtures for the development of low-cost housing and to replace asbestos inroofing and brake-pads. In addition, it is an insulation material and can be made into fibre-board as a wood substitute.

PLASTIC AND RUBBER COMPOSITES, Sisal has good potential as reinforcement in polymer (thermoplastics, thermosets and rubbers) composites due to its low density and good weldingspecific properties. The sisal composites can be used in automotive com- ponents and other furniture. Sisal also continues to make the best material for dart boards.

SISAL WASTE PRODUCTS, By-products from sisal extraction can be usedfor making biogas, phar- maceutical ingredients and building material. The waste produced by decor-tication such as sisal juice, particles of crushed parenchymatous tissue, andfragments of leaves and fibres can be used as a fertiliser or animal feed. The juice of the plant is used to make pharmaceuticals like hecogenin, inulin andothers.

OTHER USES, Bird breeders use the hollow trunks of the plant for nesting. Sisal can be usedas a geotextile in land reclamation, stabilisation of slopes and road con- struction. It is also used to manufacture good cat scratching posts, spa products, lumbar support belts, rugs, slippers, cloths, and disc buffers. Sisalis valuable forage for honey bees because of its long flowering period. The attractive sisal poles are widely used in game parks for bomas and hides.

SISAL PLANTS

There are many varieties of the Agave plant throughout the tropical and sub-tropical world, especially in the Central American region, but the most important variety for fibre production on a commercial basis are A. sisalana and its hybrids, the most common of which is known as Hybrid no. 11648 and A. fourcroydes (known as henequen).

MATURE PLANT, Sisal is a tall perennial monocotyledon, it is a relatively smooth, straightand subtly yellow fibre. Sisal is a hardy plant thatcan grow well fast all year round and attains a height of only 15,2 cm in 9 months after planting and 0.6 m at the end of 2 years. The plant growsfor 7to 12 years producing from 120 to 180 leaves depending on location, altitude,level of rainfall and variety of plant.

STEMS, two to three years after transplanting, a 20 cm tall stem is formed, which willreach a height of about 1,2 m when flowering. White, fleshy stems develop from underground buds at the base of the plant, first growing sideways and then upwards to form new plants. These new plants are known as suckers.

ROOTS, the sisal plant has a shallow, fibrous root system that is a maximum of 60 cm deep. The 2 to 4 mm thick root arise from leaf scars at the base of the bole beneath the soil surface and extends horizontally up to 5 m away from the mother plant and form suckers, which can be used for propagation.

LEAVES, the plant has stiff, heavy, persistent leaves that are 0,6 to 1,2 m long, 10,2 to 20,3 cm wide, and 2,5 to 10,2 cmthick when matured. The leaves are spirally arranged around the trunk, greyish-green in color and covered by a layer of wax. The leaves of the plant contain coarse, cream-colored or pale yellow fibres of 3 %.

FLOWERS, the sisal plant flowers only once and thatare at an age of about 12 years. Before flowering, a flower stalk of 4,5 to 6,0 m develops from the growth point. The flower stalk subdivides to form branches that bear the flowers. The flowers do not produce seed, but form bulbils, which are used for reproduction.

TRUNK, the base of the plant consists of a short trunk of about 30 cm x 150 cm. The leaves are spirally arranged around the trunk. The growth point from where the leaves develop, and eventually the flower stalk, issituated on top of the trunk.

ESSENTIAL PART, the main components of the plant are the leaf, the trunk and the rhizome. The leaf yields the sisal fibre and a pulpy waste. The fibre is by far the most important product of the sisal plant. Pulp waste constitutes about 12% of thesisal leaf. The trunk and rhizome yield various wood and chemical products at the end of their productive life.

CLIMATIC REQUIREMENTS

TEMPERATURE, Sisal grows best in subtropical climates. The plant grows well in hot climate with temperatures between 10 to 32 °C. The maximum temperature should be 30 to 40 °C, with minimum temperatures of 5 °C.

RAINFALL, plays an important role as far as fibre production is concerned. The plants are not frost tolerant and produce the best in areas with an annual rainfall of 500 mm and higher. An annual rainfall average of between 600 to 1500 mm is required. Sisal can also grow in areas with less or erratic rainfall.

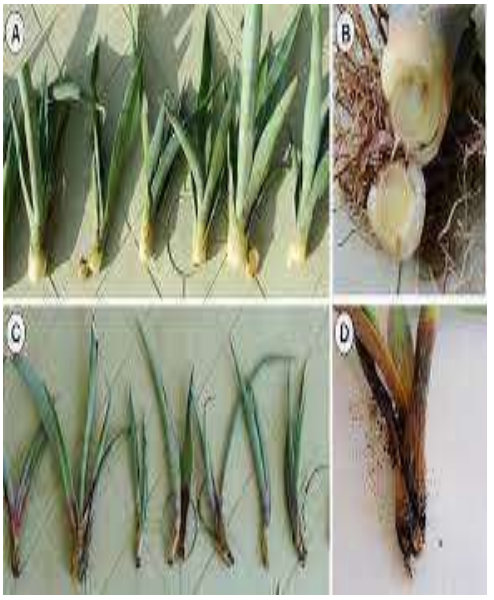
In high-rainfall areas, production may become problematic due to weed infestation and occurrence of diseases. Waterlogging causes stunted growth.

SOIL REQUIREMENTS, the plant is not soil specific, but it grows best in well-drained loamy soil. Sisal can be cultivated in most soil types except clay and has low tolerance to very moist and saline soil conditions. Soil pHof between 4.0 and 6.0 is important.

CULTIVATION PRACTICES

PROPAGATION, Sisal is propagated vegetative with bulbils or suckers.

Suckers: These are produced close to the parent and develop from axillary buds situated on the bole of the parent plant. Suckers are produced throughout the plant's life and may be removed and planted directly into thefield.



Bulbils: When the sisal plant reaches maturity, it produces a pole or flower head and then senesces. In the axillary buds on the pole a large number of bulbils are produced. Bulbils are preferred as planting material as they are homogenous and produce vigorous plants. The bulbils are planted outin nurseries and subsequently transplanted into the field. The grower prefers this method because it enables him/her to maintain pure lines.

SOIL PREPARATION, in preparing the land, soil samples should be taken and analyzed. Land should be well prepared before planting by ploughing to a depth of not less than 30 cm; a ripper should preferably be used first, followed by an ordinary ploughing to a depth of 23 cm. The existing vegetation must be destroyed and the sisal plants are then planted in the hole in the ground.

PLANTING

For planting sisal, the bulbils must be established in a nursery first. They are planted in beds at 10 cm x 10 cm apart where they grow fors ix m o n t h s . Application of sisal waste inthe nursery is beneficial to plantgrowth. After that theygo to secondary beds wherethey are placed 30 cmx 30 cm apart.

After 12 to 18 months the plants are ready to be planted out into thefield. Distance between rows should be 1,0 to 1,5 m and 4,0 m. The planting depth should be 3 cm. At transplanting the fibrous roots around the base of the plantlets are usually cut off and the lower leaves may be pulled off.

Transplanting of sisal into the field can be done any time of the year as it is a succulent with good drought resistance. Usually it is done before the beginning of the rainy season when the land is still dry because this will limitdisease infection and weevil attacks. Transplanting is done by hand. Plantingholes are made by hoe and soil insecticide is applied into the soil. Although roots can be removed during transplanting, care should be taken not to damage the boles.

Suckers may be established directly. Before planting in the field, the soil is cleared mechanically or by hand and it may be ploughed shallowly. If the rainfall is above 700 mm, plant at 1 m by 750 mm, between 500 and 700 mmat a square metre and 300 to 500 mm or alternately 1,5 m and 1 m by 1 m. The planting depth should be 5 to 8 cm.

FERTILISATION,

Sisal is an environmentally friendly fibre and almost no fertilizers are used inits cultivation. Where sisal is established on new land fertilization is generally unnecessary, but where it is established on an old land, fertilizer is usually needed. It also recommended that, after the leaf has been decorticated, the waste material should be ploughed back. Where pH is below 6,0 lime shouldbe applied. Urea, lime-ammonium nitrate (LAN) and superphosphate are some of the chemical nutrients that are used for sisal fertilization.

IRRIGATION, growing sisal does not require irrigation, as the sisal plant is drought resistant and cultivated as a rainfed crop. However, the processing of sisal leaves is very water intensive and on average 100 m^3 of water is used to produce one ton of fibre.

WEED CONTROL, weed control is of primary importance during the first two years. Weeds should be controlled in the first 2 to 3 years after transplanting: by hand, or by mechanical or chemical means. Common weeds in sisal plantations include: couch grass (*Cynodon dactylon* (L.) Pers.), nut grass (*Cyperus* spp.), African couch (*Digitaria abyssinica* (Hochst. ex A. Rich.) Stapf), Lalang (*Imperata cylindrica* (L.) P.Beauv.), cow-itch (*Mucuna pruriens* (L.) DC.) and Guinea grass (*Panicum maximum* Jacq.). After 2 to 3 years, weedsmay be allowed to grow during the rains and cut down at the beginning of the dry season to conserve moisture and provide mulch.

It is recommended that cover crops should be grown between the rows during the first three years after establishment in order to keep the land free from weeds. Once sisal is mature a medium weed cover is not harmful. Weed control is normally carried out by hand-hoeing when the crop is youngand mowing or slashing when the crop is large enough to cut. Under high- rainfall conditions, more cultivation should be done annually.

PEST CONTROL, Sisal is relatively free from pests and diseases, though the only serious insect pest of sisal is the agave weevil or Mexican sisal weevil (Scyphophorus acupunctatus. Synonym: Scyphophorus interstitialis). Sisal is an environmentally friendly fibre and almost no

pesticides are used in its cultivation, because it is resilient to disease. Some common pests and diseases are:

SISAL WEEVIL (SCYPHOPHORUS INTERSTITIALIS), Weevil damage to sisal plants is either done by the adult or the larva. The larvae damage the subterranean parts of young plants and may cause substantial losses.

HARVESTING

HARVEST MATURITY, the development of the plant determines when the first cut can take place within certain agelimits. On the other hand, the development of the plant is determined by factors such as soil potential, rainfall, temp- erature and general managerial practices. Under normal con- ditions the plant may be harvest-ed for the first time in 3 to 4 years after establishment. At this stage, the plant already has 120 to 125 leaves that are 60 cm or more in length and is about 1,5 metre high. Only ripe leaves must be harvested. It is ripe as soon as the colour of the thorn at the tip changes from dark brown to a light brown colour. Sisal leaves are harvested at regular intervals during the life cycle of the crop, thereafter only 25 leavesper year can be harvested.

An early start of cutting is conducive to better yields, provided the plants arenot cut too severely. If cutting is delayed, plants pole earlier and heavy leaf losses occur through withering. Severity of cutting has a marked influence onyield and overcutting should be avoided. Where the field is

uneven, selectivecutting should be done to avoid cutting immature plants. Cutting too soon reduces the length of the subsequent leaves grown on the plants; and the length of the leaves is of paramount importance as the fibre content increases as the leaves grow longer.

HARVESTING METHODS, Sisal is usually harvested by hand. The rosette pattern of growth makes it difficult to mechanise harvesting. Leaves are usually cut manually at 2,5 to 5cm from the plant's bole. It is essential to leave sufficient leaf area at each cutting to enable the plant to continue growing. About 20 to 25 leaves are lefton the plant at the first cutting, and this number is usually decreased to 15 to20 leaves at subsequent cuttings. The terminal spines are removed before orafter the leaves have been cut.

PRODUCTION PROCESS

DECORTICATION, Leaves should be decorticated not later than 48 hours after cutting. Sisal fibre is derived from the leaves of the plant. It is usually obtained by machinedecortications in which the leaf is crushed between rollers and then mechanically scraped. The fibre is then washed and dried. During decortications 15 to 20% of the total leaf fibre is lost.

RETTING, the leaves are immersed in water for about a week, after which the leaves are beaten on a stone to remove the remaining extraneous matter, and the separated fibre is washed, dried in the sun and baled.

DRYING, after decortication and washing, the fibre is dried, either in the sun or in drying machines and this gives the fibre a more uniform quality. Excessive drying in the sun may lead to deterioration in colour. The dried fibre represents only 4% of the total weight of the leaf. This process also combs out the shorter fibre strands/strings of 7,5 to 12,5 cm in length. Once it is dried the fibre is mechanically brushed.

BRUSHING, After the fibre has dried, it is collected into hanks to be brushed. The brushing process is necessary to straighten the tangled, wavy fibres and to polish them. The fibre is mechanically combed.

GRADING, after brushing, the fibre is graded according to length, colour and other/ decortications characteristics. The buyers insist on correct grading and general neatness of the bale. The presence of oil, bits of coal and other impurities in the bale is strongly disapproved.

TABLE 3 different length of classification for fibre

Length/Class	Description
3L	At least 915 mm, without knots and cream to a light straw colour.
3	At least 610 mm.
UG	Darker colour fibre.
PM	Shorter than 610 mm with knots and darker colours.

PACKING, Graded fibres are packed into bales using a manually or electrically operatedpressing machine. The moisture content of packed fibre should not be morethan 10 to 12%. If it is too wet, it becomes stiffly matted and there is a danger of spontaneous combustion in the bales. One full bale is equivalent to 125 kilograms of fibre. One ton is made up of 8 bales.

MARKETING, the produced sisal/ fibre is either marketed locally to individuals who use them for various activities like mats and basket weaving, farmers for tomato plant support and ropes for reinforcement of ceiling corners, etc., or throughthe sisal marketing council. Sisal was developed for "traditional" industries such as the rope, twine and carpet backing industries and to a lesser extent,for the specialty pulp and paper market. Sisal fibre is exported to many overseascountries, where it is well received because of the high quality of South African grown fibre. The fibre is also sold to customers in Botswana and Zimbabwe, wherethe fibre is used to manufacture rope. Another 3 000 tons of sisal, used in the manufacture of ropes and steel cables, are imported.

FINANCIAL INDICATORS

The financial indicator shows that the project is viable as hereafter confirmed here below; -

BREAK-EVEN ANALYSIS 3RD YEAR

The Break-Even Analysis on the 3rd year of operation shows that Break-Even Sales and Break-Even Capacity of 30%.

INTERNAL RATE OF RETURN (IRR) AFTER TAX

The Projects Internal Rate of Return after Tax is 30% well above the lending rate of 10% and 12% assumed for the long-term loan and the bank overdraft.

PAY BACK PERIOD

This gives an estimated period from start of operation to the time when initial fixed investment is recovered through profits after tax and depreciation charges. The Payback Period for this undertaking estimated at around 4 years and 5 months

MANPOWER REQUIREMENTS AND ORGANIZATION MANAGEMENT

The success of the venture of this kind depends on the competence of the personnel recruited by the management; it is assumed that relevant personnel with requisite skills shall be available within the country. There will be a need of the recruiting expatriates in some key positions. The overall in charge, responsible of the day to day operations will be the project manager who in turn is answerable to the board of directors.

TOTAL MAN POWER REQUIREMENTS

Based on the proposed organization structure the Project will initially employ a Total of 40 people were by 35 will be Tanzanian and 05 foreigners. However, it is anticipated that by the time the project attains maturity the envisaged employees will be 55 People or above, all staff will be recruited at least one month before the Plant operations are commenced.

TRAINING

The management of the Plant would strive to employ competent and qualified personnel in the Production line and also will be trained on the job. However, it is

expected that most of them will have some basic knowledge and experience in processing business.

ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values, the project is an ideal option for utilization of the recently acquired prime site, and the project will create employment for 55 people on permanent contract basis as well as on temporary basis.

- It will create more business opportunities to local suppliers which will also have no effect in the environmental issues.
- It will generate substantial revenue to the Government in the form of Corporate Tax, Value added tax and pay as you earn.
- The project will enable transfer of knowledge and skills to manufacturing sector, and
- The project will generate foreign earnings

IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of Go Down will be completed within one year.

CONCLUSION & RECOMMENDATIONS

The project is technically feasible, financially viable and economically sound; therefore, the Board is advised to consider and approve the application for the Certificate of incentives on exemptions on fiscal incentives i.e. reduces the tax burden and facilitate its implementation.

In addition, the project will have number of positive impacts and benefits in the region and in the economy as whole as noted above, this undertaking will bring about the generation of reliable income to the people who are directly employed and to the service providers of goods and services.

CASH FLOW HIGHLIGHTS

The project has a positive end of the year cash flow from year 1 of operation to the 5th year as shown hereunder.

CASH FLOW PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Cash flow at End of Year	10,479,800	14,856,900	19,234,000	23,611,100	27,988,200

WINAFR COMPANY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021

SHEBRILA & CO
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE
P.O. BOX 22131
TEL: +255 0715 46 70 73
DAR ES SALAAM-TANZANIA

WINAFR COMPANY LIMITED

COMPILATION REPORT

We have compiled the accompanying financial statements of **Winafr Company Limited** on infrmation you have provided. These financial statements comprise the statement of Financial position of **Winafr Company Limited** as at 31st December,2021,the statement of Comprehensive Income ,the statement of Change in Equity and the statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standards on related services 4410,Compilation engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements on the basis of accounting described in notes to these financial statements. We have compiled with relevant ethical requirements, including the principles of intergrity,objectivity,professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express any opinion or a review conclusion on whether these financial statements are prepared in accordance with the basis of accounting described in note in these financial statements.

As described in notes in these financial statemets, these financial statements are prepared and presented in accordance with International Financial Reporting Standards for small and Medium Enterprises (IFRS for SMEs). The financial statemenrts are prepared for the purpose desribed in the notes to the financial statements. Accordingly, these financial statements may not be suitablefor other purposes.

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WINAFR COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER,2021

	NOTE	31.12.2021 TZS	31.12.2020 TZS
ASSETS EMPLOYED:			
Non Current Assets			
Property,plant and equipments	2	102,431,875	151,075,250
CURRENT ASSETS:			
Trade Receivables	3	38,145,800	15,650,000
Cash Resources		14,856,900	10,479,800
Total Current Assets		53,002,700	26,129,800
TOTAL ASSETS		155,434,575	177,205,050
EQUITY AND LIABILITIES			
Share Capital		100,000,000	100,000,000
Retained Earnings		(1,197,022,026)	(1,091,834,916)
Total Equity		(1,097,022,026)	(991,834,916)
CURRENT LIABILITIES:			
Trade Payables	4	1,252,456,601	1,169,039,966
Total Liabilities		1,252,456,601	1,169,039,966
TOTAL EQUITY AND LIABILITIES		155,434,575	177,205,050
NOTES TO ACCOUNTS	1		

NOTE 1 TO 5 FORM PART OF THESE ACCOUNTS

DIRECTOR

WINAFR COMPANY LIMITED
P O Box 587
TANGA - TANZANIA

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DIRECTOR

WINAFR COMPANY LIMITED
COMPREHENSIVE INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

	NOTE	2021 TZS	2020 TZS
SALES		8,274,625,330	4,899,681,750
LESS: COST OF SALES	5	7,262,424,175	4,030,979,392
GROSS LOSS		1,012,201,155	868,702,358
LESS: OPERATING EXPENSES		1,117,388,265	849,457,638
NET LOSS FOR THE YEAR		(105,187,110)	19,244,720
LESS: OPERATION TAX 30%		-	-
		(105,187,110)	19,244,720
ACCUMULATED LOSS B/F		(1,091,834,916)	(1,111,079,636)
ACCUMULATED LOSS C/F		(1,197,022,026)	(1,091,834,916)

DIRECTOR

DIRECTOR

WINAFR COMPANY LIMITED
P O Box 587
TANGA - TANZANIA

WINAFR COMPANY LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

	31.12.2021 TZS	31.12.2020 TZS
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Losses) from Income Statement	(105,187,110)	19,244,720
Adjustments for :		
Depreciation	48,643,375	48,643,375
	(56,543,735)	67,888,095
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL ITEM		
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Trade and Other Receivables	(22,495,800)	13,850,000
Increase / (Decrease) in Trade and Other Payables	83,416,635	(89,004,681)
Net Change in Working Capital Items	60,920,835	(75,154,681)
Net cash flows From / (Used in) operations	**4,377,100**	**(7,266,586)**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of fixed Assets	-	-
Taxation	-	-
Net cash Flows from (used) in Investing Activities	**4,377,100**	**(7,266,586)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Share capital Received	-	-
Net cash Flows from (used in) Financing Activities	-	-
NET (INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,377,100**	**(7,266,586)**
Cash and Cash, Equivalent at the beginning of the Period	10,479,800	17,746,386
CASH AND CASH , EQUIVALENT AT THE END OF THE PERIOD	**14,856,900**	**10,479,800**

WINAFR COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
alance at 1 January, 2020	150,000,000	- 1,320,959,750	- 1,170,959,750
urplus/Deficit for the year	- 50,000,000	209,880,114	159,880,114
		19,244,720	19,244,720
alance at 31st December, 2020	**100,000,000**	**(1,091,834,916)**	**(991,834,916)**
alance at 1st January, 2021 as restated	100,000,000	(1,091,834,916)	(991,834,916)
urplus/Deficit during the year	-	(105,187,110)	(105,187,110)
alance as at 31st December, 2021	**100,000,000**	**(1,197,022,026)**	**(1,097,022,026)**

OTE 1 TO 5 FOR PART OF THESE ACCOUNTS

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RECTOR

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DIRECTOR

R COMPANY LIMITED
AENT OF PROPERTY,PLANT AND EQUIPMENTS-31.12.2021

	COST			DEPRECIATION			NET BOOK
	BALANCE AT 01.01.2021	ADDITIONS/ VALUATION	BALANCE AT 31.12.2021	BALANCE AT 01.01.2021	CHARGED	BALANCE AT 31.12.2021	VALUE AT 31.12.2021
& Machinery	140,785,000	-	140,785,000	70,392,500	35,196,250	105,588,750	35,196,250
	95,391,000	-	95,391,000	23,847,750	11,923,875	35,771,625	59,619,375
ure& Fittings	12,186,000	-	12,186,000	3,046,500	1,523,250	4,569,750	7,616,250
L	248,362,000	-	248,362,000	97,286,750	48,643,375	145,930,125	102,431,875

WINAFR COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS - 31ST DECEMBER,2021

1 ACCOUNTING POLICIES:

(a) The Company prepares accounts on historical cost basis.

(b) Depreciation:Depreciation is calculated to write off the cost of the fixed assets on a straight line basis over their expected useful lives. For this purpose the rates used are:

Land and Buildings	4.00%
Furniture and Fittings	12.50%
Machinery and Equipment	25.00%

(c) Bab Debts: Bad debts are written off when all reasonable steps to recover them have proved unsuccessful.

(d) Inventories: Stock is valued at the lower of cost and net realisable value.

	TZS	TZS
Stock Fibre	28,546,500	1,563,000
Consumables	1,560,000	2,500,000
	30,106,500	4,063,000

MOVEMENT OF PROPERTY,PLANT AND EQUIPMENTS (See schedule)

TRADE RECEIVABLES:	TZS	TZS
Trade Debtors	25,645,800	15,650,000
Prepayments	12,500,000	-
	38,145,800	15,650,000

TRADE PAYABLES:	TZS	TZS
Trade Creditors	1,250,956,601	1,167,539,966
Accruals	1,500,000	1,500,000
	1,252,456,601	1,169,039,966

NOTE:5 COST OF SALES	TZS	TZS
Stock at 1-1-2021	-	-
Salaries and wages	6,620,000	8,600,000
Sisal fibre purchases	7,087,911,000	3,583,354,532
Machinery repairs	-	15,075,000
Loading and off loading	28,762,000	53,132,000
Casual labor	63,635,000	157,270,435
Godown rehabilitation	-	40,064,500
Sisal board fees	5,000,000	15,210,000
Ware house rent	8,200,000	8,200,000
Uniform	-	2,932,000
Utilities	13,652,800	17,715,200
Travel and accomodation	-	18,653,600
Supevisor allowance	-	13,150,000
Depreciation	48,643,375	47,120,125
Poles Expenses	-	50,502,000
	7,262,424,175	4,030,979,392
Less: Stock at 31 - 12 - 2021	-	-
	7,262,424,175	**4,030,979,392**

NOTE: 6 OPERATING EXPENSES:		
Communication	1,254,000	1,032,000
Transport hiring costs	10,500,000	181,007,000
Travel and accomodation	16,985,750	31,226,200
Custom chagres	190,094,000	-
Legal fees	-	2,720,000
Sea Freight	833,034,210	218,587,188
Nyumbu Godown	15,000,000	15,000,000
Meals	12,564,500	44,389,500
Fire and Rescue	1,865,000	1,971,000
NSSF Contributions	1,653,000	1,578,000
Accountancy and Audit fees	1,500,000	1,500,000
Bank charges	965,455	-
Health inspection	2,480,000	2,480,000
Enviromental inspection	3,625,600	4,110,000
Electrical repair	-	1,766,500
Printing and stationery	1,254,500	1,646,000

Medication	125,000	5,202,000
Bales label	-	7,840,000
License and fees	9,650,000	40,413,000
Motor vehicle expense		79,240,000
Work permits	12,500,000	53,454,000
Fertlizers	-	152,032,000
OSHA	300,000	300,000
Deprecitation	1,523,250	1,523,250
WCF	514,000	440,000
	1,117,388,265	**849,457,638**