

**Tanlapia Limited**  
(Registration number 51559)  
**Financial statements**  
**for the year ended 31 December 2021**

# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## General Information

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<b>Country of incorporation and domicile</b>	United Republic of Tanzania
<b>Nature of business and principal activities</b>	Marine and fresh water aquaculture
<b>Directors</b>	Fatehali Jaffer Mawji Mahimbo Timothy Mdoe Abdu Iddi Simba Baraka Juma Kalangahe Javed Mawji Freddy Eduardo Lapentti Menendez
<b>Registered office</b>	Plot No. 106, Mwakalinga Street Dar es Salaam Tanzania
<b>Postal address</b>	P. O. Box 15103 Dar es Salaam Tanzania
<b>Bankers</b>	Standard Chartered Bank (T) Limited CRDB Bank PLC
<b>Auditors</b>	Crowe Tanzania Certified Public Accountants in Public Practice Dar es Salaam
<b>Secretary</b>	Sameer Madatali Remtulla
<b>Company registration number</b>	51559

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

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The reports and statements set out below comprise the financial statements presented to the shareholders:

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# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## The Report by those Charged with Governance

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The members charged with governance (directors) have pleasure in submitting their report on the financial statements of Tanlapia Limited for the year ended 31 December 2021.

### 1. Incorporation

The company is incorporated in United Republic of Tanzania under the Companies Act 2002 as a private company limited by share.

### 2. Nature of business

The principal activity of the company is marine and fresh water aquaculture.

There have been no material changes to the nature of the company's business from the prior year.

### 3. Business objectives and strategies

The company's vision is to be the leading aquaculture company in the region. We continuously endeavour to create valuable client partnerships, based on core principles of transparency and client care.

In order to maximize long term returns, the company has set goals and strategies to deliver sustainable profitable growth:

- Improve socio-economic status by directly creating high wage employment opportunities for the local communities.
- Synergies between the commercial fish farm and rural fish farms, where local farmers readily have access to high quality fingerling through the hatchery and the commercial fish farm can increase output by purchasing directly from local farmers for processing.
- Fish is one of the recommended sources of protein. The availability of quality fish and at a reasonable price will encourage more fish eating and thereby improving generally the health – being of the population.

### 4. Future prospects

It is clear that the the low supply of fish has in turn pushed up fish prices. Increased supply levels coupled with an efficient distribution network, will result in lower prices and hence generally fish consumption should be expected to increase significantly. Therefore, the company will target the regional and international markets due to the significant demand for high quality fish products.

### 5. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net loss of the company was TZS 875,577,000 (2020: loss TZS 435,072,000), after taxation of TZS (375,825,000) (2020: TZS (176,321,000)).

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## The Report by those Charged with Governance

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### 6. Going concern

We draw attention to the fact that as at 31 December 2021, the company had accumulated losses of TZS 1,310,649,000 and that the company's current liabilities exceeded its current assets by TZS 2,274,250,000.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continues to procure funding for the ongoing operations for the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

The board of directors has reasonable expectation that the company has adequate resources to continue in operational existence for the next twelve months.

The impact of COVID-19 has been taken into consideration in the going concern assessment.

### 7. Liquidity

The company has financing arrangements in form of term loans with Tanzania Agricultural Development Bank so that its cash flows are devoted to monthly interest payments. Furthermore, the company is financed from its shareholder funds to meet the company's working capital requirements.

### 8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 9. Directors

The directors in office at the date of this report are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Changes</b>
Fatehali Jaffer Mawji	Canadian	
Mahimbo Timothy Mdoe	Tanzanian	
Abdu Iddi Simba	Tanzanian	
Baraka Juma Kalangahe	Tanzanian	
Javed Mawji	British	
Freddy Eduardo Lapentti Menendez	Ecuadorian	Appointed Sunday, 20 June 2021

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## The Report by those Charged with Governance

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### 10. Share capital

			2021	2020
<b>Authorised</b>			Number of shares	
Ordinary shares			100,000	100,000
<b>Issued</b>	2021	2020	2021	2020
	TZS '000	TZS '000	Number of shares	
Ordinary shares	3,921	3,921	3,921	3,921

The issued unpaid share capital as of 31 December 2021 amounts to TZS 287,188,000. This balance is reported as share capital receivable within trade and other receivables per note number 4 of these financial statements.

### 11. Shareholders of the company

The total number of shareholders during the year are 5 shareholders (previous year: 5 shareholders).

The shares of the company are held as follows:

	Number of shares	
	2021	2020
	Direct	Direct
Fatehali Jaffer Mawji	2,000	2,000
Mahimbo Timothy Mdoe	392	392
Freddy Eduardo Lapentti Menendez	392	392
Namado Limited	941	941
Abdu Iddi Simba	196	196
	<b>3,921</b>	<b>3,921</b>

Directors holding shares of the company are as follows:

	Number of shares	
	2021	2020
	Direct	Direct
Fatehali Jaffer Mawji	2,000	2,000
Mahimbo Timothy Mdoe	392	392
Abdu Iddi Simba	196	196
	<b>2,588</b>	<b>2,588</b>

### 12. Secretary

The company secretary is Sameer Madatali Remtulla.

### 13. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## The Report by those Charged with Governance

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### 14. Corporate governance

The board of directors consists of 6 directors. The board takes overall responsibility for the company, including responsibility for 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 required to meet at least four times a year. The board delegates the day to day management of the business to the managing director assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting 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.

### 15. 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 operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the 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 behaviours towards all stakeholders.

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

The board assessed the internal control systems throughout the financial year ended 31 December 2021 and is of the opinion that they met accepted criteria.

### 16. Environmental footprint

We conduct our business whilst adhering to accepted ethical, professional, and legal standards. We ensure that our operations follow all applicable local legislation and regulations. We maintain a safe and healthy work environment, in accordance with all statutory requirements applicable to our business and operations.

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### The Report by those Charged with Governance

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#### 17. Employee's welfare

##### Management and employees relationship

The relation between employees and management continued to be cordial during the year. There were no unresolved complaints received by management from the employees during the year.

The company is an equal opportunity employer. It gives 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 regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

##### Employee benefit plan

Employees are members of a pension fund. The company contributes 10% of gross salary to applicable pension scheme for each employee on behalf of all permanent employees. These plans are defined contribution plans.

The company's employment terms are regularly reviewed to ensure that they continue to meet statutory and market conditions. The company communicates with its employees through regular management and staff meetings and through circulars. The company has continued to maintain a favourable working environment in terms of offices, canteen, medical facilities and transport.

#### 18. Related parties transactions

Related party transactions and balances are disclosed in note 21 to these financial statements.

#### 19. Responsibility of those charged with governance

It is directors' responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standard for Small and Medium-sized Entities and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislations relevant to the company.

#### 20. Statement of disclosure to the company's auditors

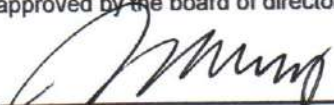
With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he or she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

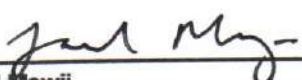
#### 21. Auditors

The auditors, Crowe Tanzania have expressed their willingness to continue in office and will be recommended for re-appointment in accordance with the Companies Act 2002.

The financial statements set out on pages 13 to 31, which have been prepared on the going concern basis, were approved by the board of directors on the date of this report, and were signed on its behalf by:

  
\_\_\_\_\_  
Fatehali Jaffer Mawji  
Director

Date: 26 July 2022

  
\_\_\_\_\_  
Javed Mawji  
Director

Date: 26 July 2022

## Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

### Statement of Directors' Responsibilities

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The directors are required by the Companies Act 2002, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.


The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2022 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 10 - 12.

The financial statements set out on pages 13 to 31, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on its behalf by:

  
\_\_\_\_\_  
Fatehali Jaffer Mawji  
Director

Date: 26 July 2022

  
\_\_\_\_\_  
Javed Mawji  
Director

Date: 26 July 2022

## Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

### Declaration of the Head of Finance and Accounting

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#### Declaration of the Head of Finance and Accounting of Tanlapia Limited

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.

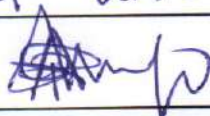
It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as stated under the Statement of Directors' Responsibilities on an earlier page.

I, Paul Uroo being the Head of Finance/Accounting of Tanlapia Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2021 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 position of Tanlapia Limited as on that date and that they have been prepared based on properly maintained financial records.

Name: Paul Uroo

Signature: 

Position: Accountant

NBAA Membership No: 4783

Date: 26 July 2022

## Report of the Independent Auditor

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To the Shareholders of Tanlapia Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Tanlapia Limited set out on pages 13 to 31, which comprise the statement of financial position as at 31 December 2021, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tanlapia Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of the Financial Statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 25 to the financial statements, which indicates that the company has accumulated loss of TZS 1,310,649,000 as at the year ended 31 December 2021 and, as of that date, the company's current liabilities exceeded its current assets by TZS 2,274,250,000. As stated in note 25, these events or conditions, along with other matters as set forth in note 25, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises Report by those Charged with Governance, Statement of Directors' Responsibilities and Declaration of the Head of Finance and Accounting, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Report of the Independent Auditor**

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### **To the Shareholders of Tanlapia Limited**

#### **Responsibilities of the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism 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 the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

## Report of the Independent Auditor


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To the Shareholders of Tanlapia Limited

### Report on Other Legal and Regulatory Requirements

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

- This report, including 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 purposes. As required by the Companies Act 2002, we report to you, based on our audit, that:
- In our opinion proper books of accounts have been kept by the company, so far as appears for our examination of the books;
- The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts;
- The report by those charged with governance is consistent with the financial statements; and
- Information specified by law regarding directors' remuneration and transactions with the company is disclosed.

  
CPA Christopher Msuya  
For and on behalf of Crowe Tanzania  
Certified Public Accountants in Public Practice  
Dar es Salaam

Date: 26 July 2022



**Tanlapia Limited**

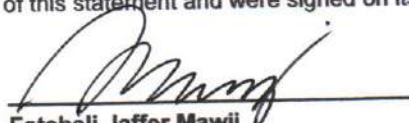
(Registration number: 51559)


Financial Statements for the year ended 31 December 2021

**Statement of Financial Position as at 31 December 2021**

	Note(s)	2021 TZS '000	2020 TZS '000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	5,417,789	2,401,487
<b>Current Assets</b>			
Inventories	5	353,544	-
Trade and other receivables	4	553,352	287,188
Cash and cash equivalents	6	308,585	14,751
		<b>1,215,481</b>	<b>301,939</b>
<b>Total Assets</b>		<b>6,633,270</b>	<b>2,703,426</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	7	2,240,085	2,240,085
Reserves		1,851,652	495,769
Accumulated loss		(1,310,649)	(435,072)
		<b>2,781,088</b>	<b>2,300,782</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	9	121,033	-
Deferred tax	3	241,418	36,151
		<b>362,451</b>	<b>36,151</b>
<b>Current Liabilities</b>			
Trade and other payables	8	121,141	90,678
Other financial liabilities	9	3,368,590	275,815
		<b>3,489,731</b>	<b>366,493</b>
<b>Total Liabilities</b>		<b>3,852,182</b>	<b>402,644</b>
<b>Total Equity and Liabilities</b>		<b>6,633,270</b>	<b>2,703,426</b>

The financial statements and the notes on pages 13 to 31, were approved by the board of directors on the the date of this statement and were signed on its behalf by:

  
**Fatehali Jaffer Mawji**  
 Director

  
**Javed Mawji**  
 Director

Date: 26 July 2022

Date: 26 July 2022

The accounting policies on pages 17 to 21 and the notes on pages 22 to 31 form an integral part of the financial statements.

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2021 TZS '000	2020 TZS '000
Revenue	10	104,896	-
Cost of sales	11	(132,621)	-
<b>Gross loss</b>		<b>(27,725)</b>	-
Operating expenses	12	(1,176,339)	(593,045)
<b>Operating loss</b>		<b>(1,204,064)</b>	<b>(593,045)</b>
Finance costs	16	(47,338)	-
Profit (Loss) on exchange differences		-	(18,348)
<b>Loss before taxation</b>		<b>(1,251,402)</b>	<b>(611,393)</b>
Taxation	17	375,825	176,321
<b>Loss for the year</b>		<b>(875,577)</b>	<b>(435,072)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gains on revaluation of property, plant and equipment		1,936,975	708,241
Income tax relating to items that will not be reclassified to profit or loss		(581,092)	(212,472)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,355,883</b>	<b>495,769</b>
<b>Other comprehensive income for the year net of taxation</b>		<b>1,355,883</b>	<b>495,769</b>
<b>Total comprehensive income for the year</b>		<b>480,306</b>	<b>60,697</b>

The accounting policies on pages 17 to 21 and the notes on pages 22 to 31 form an integral part of the financial statements.

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Revaluation reserve	Accumulated loss	Total equity
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Balance at 1 January 2020</b>	<b>2,000</b>	-	<b>2,000</b>	-	-	<b>2,000</b>
Loss for the year	-	-	-	-	(435,072)	(435,072)
Other comprehensive income	-	-	-	495,769	-	495,769
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495,769</b>	<b>(435,072)</b>	<b>60,697</b>
Issue of shares	1,921	2,236,164	2,238,085	-	-	2,238,085
<b>Total changes</b>	<b>1,921</b>	<b>2,236,164</b>	<b>2,238,085</b>	<b>-</b>	<b>-</b>	<b>2,238,085</b>
<b>Balance at 1 January 2021</b>	<b>3,921</b>	<b>2,236,164</b>	<b>2,240,085</b>	<b>495,769</b>	<b>(435,072)</b>	<b>2,300,782</b>
Loss for the year	-	-	-	-	(875,577)	(875,577)
Other comprehensive income	-	-	-	1,355,883	-	1,355,883
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355,883</b>	<b>(875,577)</b>	<b>480,306</b>
<b>Balance at 31 December 2021</b>	<b>3,921</b>	<b>2,236,164</b>	<b>2,240,085</b>	<b>1,851,652</b>	<b>(1,310,649)</b>	<b>2,781,088</b>
Note(s)	7	7	7			

The accounting policies on pages 17 to 21 and the notes on pages 22 to 31 form an integral part of the financial statements.

## Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

### Statement of Cash Flows

	Note(s)	2021 TZS '000	2020 TZS '000
<b>Cash flows from operating activities</b>			
Cash used in operations	19	(1,528,294)	(842,687)
Finance costs		(47,338)	-
<b>Net cash from operating activities</b>		<b>(1,575,632)</b>	<b>(842,687)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(1,344,342)	(1,656,462)
<b>Cash flows from financing activities</b>			
Proceeds on share issue	7	-	2,238,085
Movement in other financial liabilities		3,213,808	275,815
<b>Net cash from financing activities</b>		<b>3,213,808</b>	<b>2,513,900</b>
<b>Total cash movement for the year</b>		<b>293,834</b>	<b>14,751</b>
Cash at the beginning of the year		14,751	-
<b>Total cash at end of the year</b>	6	<b>308,585</b>	<b>14,751</b>

The accounting policies on pages 17 to 21 and the notes on pages 22 to 31 form an integral part of the financial statements.

# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 2002. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings (TZS), rounded to the nearest thousand.

These accounting policies are consistent with the previous period, except for the changes set out in note 22 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property as follows:

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Item	Depreciation method	Depreciation rate
Plant and machinery	Straight line	25%
Office equipment	Straight line	12.5%

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.1 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.2 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.2 Financial instruments (continued)

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.3 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.3 Tax (continued)

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### 1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.6 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

### 1.7 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## Accounting Policies

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### 1.7 Employee benefits (continued)

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

### 1.8 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.9 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

### 1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.11 Foreign exchange

#### Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

The foreign exchange component of a non-monetary item is recognised consistently with any other gains or losses on those items, in other comprehensive income or in profit or loss.

All transactions in foreign currencies are initially recorded in Tanzanian Shilling, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
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#### 2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	2,712,343	-	2,712,343	745,025	-	745,025
Plant and machinery	1,059,865	(264,966)	794,899	685,215	-	685,215
Office equipment	395	(49)	346	395	-	395
Property, plant and equipment in transit	145,209	-	145,209	-	-	-
Capital - work in progress	1,764,992	-	1,764,992	970,852	-	970,852
<b>Total</b>	<b>5,682,804</b>	<b>(265,015)</b>	<b>5,417,789</b>	<b>2,401,487</b>	<b>-</b>	<b>2,401,487</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Revaluations	Depreciation	Closing balance
Land	745,025	30,343	1,936,975	-	2,712,343
Plant and machinery	685,215	374,650	-	(264,966)	794,899
Office equipment	395	-	-	(49)	346
Property, plant and equipment in transit	-	145,209	-	-	145,209
Capital - work in progress	970,852	794,140	-	-	1,764,992
	<b>2,401,487</b>	<b>1,344,342</b>	<b>1,936,975</b>	<b>(265,015)</b>	<b>5,417,789</b>

#### Revaluations

The company's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every few years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

The fair value measurements were performed by Property Market Consult Limited, independent valuers not related to the company. Property Market Consult Limited are registered valuers and they have the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The fair value of land have been generally derived using the market value approach.

The carrying value of the revalued assets under the cost model would have been:

Opening balance - Land	36,784	36,784
Land purchased during the year	30,343	-
	<b>67,127</b>	<b>36,784</b>

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>2. Property, plant and equipment (continued)</b>		
<b>Details of properties</b>		
<b>Land - Kingani Bagamoyo District: Farm No. 3111</b>		
Cost	36,784	36,784
Valuation	2,645,216	708,241
	<b>2,682,000</b>	<b>745,025</b>
<b>Land - Kitalu - Kimarongombe (Bagamoyo): Plot No. 40</b>		
Cost	7,517	-
<b>Land - Kitalu - Kimarongombe (Bagamoyo): Plot No. 41</b>		
Cost	16,578	-
<b>Land - Kitalu - Kimarongombe (Bagamoyo): Plot No. 42</b>		
Cost	6,248	-
<b>3. Deferred tax</b>		
The major components of the deferred tax balance are as follows:		
<b>Deferred tax liability</b>		
<b>Arising as a result of temporary differences on:</b>		
Deferred tax	(241,418)	(36,151)
<b>Reconciliation of deferred tax asset/(liability)</b>		
At beginning of year	(36,151)	-
<b>Recognised in profit or loss:</b>		
Increases (decrease) in tax loss available for set off against future taxable income	375,063	180,481
Movement in temporary differences on property, plant and equipment	(104)	-
Taxable / (deductible) temporary difference on unrealised foreign exchange differences	866	(4,160)
	<b>375,825</b>	<b>176,321</b>
<b>Recognised in other comprehensive income:</b>		
Revaluation of property, plant and equipment at normal tax rate	(581,092)	(212,472)
<b>At end of year</b>	<b>(241,418)</b>	<b>(36,151)</b>
<b>4. Trade and other receivables</b>		
Prepayments	266,164	-
Other receivables - unpaid share capital	287,188	287,188
	<b>553,352</b>	<b>287,188</b>

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>5. Inventories</b>		
Fish and food materials	353,544	-
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2,756	2,285
Bank balances	305,829	12,466
	<b>308,585</b>	<b>14,751</b>
<b>7. Share capital</b>		
<b>Authorised</b>		
100,000 Ordinary shares of TZS 1,000/- each	100,000	100,000
<b>Issued</b>		
3,921 Ordinary shares of TZS 1,000/- each	3,921	3,921
Share premium	2,236,164	2,236,164
	<b>2,240,085</b>	<b>2,240,085</b>
<p>The issued unpaid share capital as of 31 December 2021 amounts to TZS 287,188,000. This balance is reported as share capital receivable within trade and other receivables per note number 4 of these financial statements.</p>		
<b>8. Trade and other payables</b>		
Trade payables	47,757	46,303
Amounts received in advance	15,000	-
Other payables	40,714	22,068
Accrued expenses	17,670	22,307
	<b>121,141</b>	<b>90,678</b>
<b>9. Other financial liabilities</b>		
<b>At amortised cost</b>		
Tanzania Agricultural Development Bank	764,407	-
Terms and conditions - refer to the note below.		
Fatehali Jaffer Mawji	2,129,458	275,815
Javed Mawji	152,009	-
Namado Limited	443,749	-
	<b>3,489,623</b>	<b>275,815</b>

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>9. Other financial liabilities (continued)</b>		
<b>Fatehali Jaffer Mawji / Javed Mawji / Namado Limited</b>		
The purpose of the loan is to assist with the operating activities of the company. The loan was granted on 01 January 2021 and is payable on demand.		
No security is pledged against the facility and it attracts an interest at the rate of 7% on the principal amount. The interest will start accruing in the year 2023.		
<b>Tanzania Agricultural Development Bank loan</b>		
The loans amounts are term loan facilities divided into short term loans (Term I) amounting to TZS 792,200,000 and medium term loans (Term II) amounting to TZS 1,671,358,862.		
Purpose: Partly financing the construction of the ponds raceways systems (IPRS) aquaculture project.		
Interest: 13% per annum calculated on the daily running balance.		
<b>Repayment arrangement:</b>		
Term I - repayable in 2 equal installments semi annually after 12 months from the first drawdown.		
Term II - repayable in 60 equal monthly installments after grace period of 12 months.		
<b>Securities:</b>		
(i) Legal mortgage over farm property on Plot No. 311, Kingani Area, Bagamoyo Coastal Region, CT 34970 in the name of Tanlapia Limited.		
(ii) Specific charge over each movable asset to be financed by TADB Bank.		
(iii) AGF Guarantee 20% of the facility		
(iv) Debenture over the entire assets of the company.		
(v) Personal guarantee of the Shareholders of the company.		
<b>Non-current liabilities</b>		
At amortised cost	121,033	-
<b>Current liabilities</b>		
At amortised cost	3,368,590	275,815
	<b>3,489,623</b>	<b>275,815</b>
<b>10. Revenue</b>		
Fish sales	104,896	-

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Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>11. Cost of sales</b>		
<b>Sale of goods</b>		
Insurance on imports	83	-
Delivery charges	300	-
Hiring charges	300	-
Shipping charges	475	-
Offloading charges	660	-
Demurrage charges	913	-
Shipping line charges	2,057	-
Storage and handling charges	2,574	-
Feed cost	125,259	-
	<b>132,621</b>	<b>-</b>
<b>12. Operating expenses</b>		
Fines and penalties	8,324	-
Auditor's remuneration	6,779	4,068
Bank charges	12,945	6,447
Cleaning expenses	24	63
School fees	-	22,219
Consulting and professional fees	14,043	1,220
Secretarial fees	-	590
Immigration charges	2,310	-
Permit fees	-	6,235
Depreciation	265,015	-
Employee costs	746,730	529,752
Refreshments	649	1,188
Valuation fees	715	-
EFD Machine	590	-
Computer Accessories	313	-
Fire charges	1,908	-
Hardware	-	1,461
Work permit and visa expenses	-	3,106
Insurance	13,679	283
Internet charges	138	-
Lease rentals on operating lease	21,288	-
Stamp duty	541	-
Medical expenses	2,071	3,841
Parking expenses	12	-
Land rent	7,450	-
Electricity charges	25,460	-
Licence and registrations	52	3,014
Food allowance	-	265
Postage	82	-
Printing and stationery	702	535
Accommodation allowance	7,478	1,460
Building permits	-	200
Repairs and maintenance	3,016	875
Security charges	22,077	620
Staff welfare	75	-
Transport allowance	3,492	651
Travelling costs	8,381	4,952
	<b>1,176,339</b>	<b>593,045</b>

## Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>13. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	21,288	-
Depreciation on property, plant and equipment	265,015	-
Employee costs	746,730	529,752
<b>14. Employee cost</b>		
<b>Employee costs</b>		
Salaries, wages and other benefits	669,499	482,181
National social security fund (NSSF)	51,292	22,867
Workers compensation fund (WCF)	4,714	4,822
Skills and development levy (SDL)	21,225	19,882
	<b>746,730</b>	<b>529,752</b>
<b>15. Depreciation</b>		
The following items are included within depreciation:		
<b>Depreciation</b>		
Property, plant and equipment	265,015	-
<b>16. Finance costs</b>		
Interest on bank loan	3,733	-
Loan appraisal fee	43,605	-
	<b>47,338</b>	-

# Tanlapia Limited

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Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>17. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Deferred taxation</b>		
Local deferred tax - current year	<u>(375,825)</u>	<u>(176,321)</u>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(1,251,402)	(611,393)
Tax at the applicable tax rate of 30% (2020: 30%)	(375,421)	(183,418)
<b>Tax effect of adjustments on taxable income</b>		
Permanent differences	2,531	7,097
Prior period adjustments	<u>(2,935)</u>	<u>-</u>
	<u><b>(375,825)</b></u>	<u><b>(176,321)</b></u>
<p>No provision has been made for 2021 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is TZS 1,851,818,000 (2020: TZS 601,607,000). This unrelieved loss amount is arrived at after taking into consideration a revised tax assessment issued by TRA related to year of income 2020 issued on 28 January 2022, whereby the unrelieved loss was adjusted from TZS 601,607,000 to TZS 611,393,000.</p>		
<p>The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a time frame from the company's own submission of its final tax returns and TRA performing their review and issuing of notice of final tax assessment may take several months or years.</p>		
<b>18. Auditor's remuneration</b>		
Fees	<u>6,779</u>	<u>4,068</u>
<b>19. Cash used in operations</b>		
Loss before taxation	(1,251,402)	(611,393)
<b>Adjustments for:</b>		
Depreciation	265,015	-
Loss on foreign exchange	-	18,348
Finance costs	47,338	-
Loss on foreign exchange	-	(18,348)
<b>Changes in working capital:</b>		
Inventories	(353,544)	-
Trade and other receivables	(266,164)	(285,188)
Trade and other payables	30,463	53,894
	<u><b>(1,528,294)</b></u>	<u><b>(842,687)</b></u>

## Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

### Notes to the Financial Statements

	2021 TZS '000	2020 TZS '000
<b>20. Contingencies</b>		
The directors are of the opinion that there are no contingent liabilities as at the year end.		
<b>21. Related parties</b>		
Relationships		
Members of key management		
		Freddy Eduardo Lapentti Menendez - Director/Shareholder
		Fatehali Jaffer Mawji - Director/Shareholder
		Mahimbo Timothy Mdoe - Director/Shareholder
		Abdu Iddi Simba - Director/Shareholder
		Javed Mawji - Director
		Baraka Juma Kalangahe - Director
<b>Related party balances and transactions with entities with control, joint control or significant influence over the company</b>		
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Fatehali Jaffer Mawji	(2,129,458)	(275,815)
Javed Mawji	(152,009)	-
Namado Limited	(443,749)	-
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Abdu Iddi Simba	286,796	286,796
Freddy Eduardo Lapentti Menendez	392	392

### Related party transactions

#### 22. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The company has stopped preparing the financial statement on International Financial Reporting Standards (IFRS) basis and has instead prepared on the International Financial Reporting Standard for Small and Medium-sized Entities basis as a result of the changes in the guidelines provided by the National Board of Accountants and Auditors (NBAA) through technical pronouncement No.1 of 2018. The technical pronouncement updated the scope of applicability of the financial reporting standards which meant that the company would no longer be required to prepare their financial statements on the IFRS basis.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2021 year end. On principle this standard has been applied prospectively and the 2020 comparatives contained in these financial statements have not been restated.

# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

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2021	2020
TZS '000	TZS '000

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### 22. First-time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities. (continued)

The date of transition was 1 January 2021 and the effect of the transition was as follows.

#### Changes in the accounting policies

The changes in accounting policy are outlined as follows;

##### IAS 18

During the year, the company changed its accounting policy with respect to the treatment of revenue. The company has now adopted IAS 18 (abandoning IFRS 15) in accordance with the matters described in this note.

The impact of this change is not material.

##### IAS 39

During the year, the company changed its accounting policy with respect to the treatment of financial instruments.

The company has now adopted IAS 39 (abandoning IFRS 9) in accordance with the matters described this note - First time adoption of the International Financial Reporting Standards for Small and Medium-sized Entities.

The impact of this change is not material.

### 23. Directors' remuneration

#### Executive

##### 2021

	Basic salary	Total
Baraka Juma Kalangahe	35,850	35,850
Freddy Eduardo Lapentti Menendez	326,761	326,761

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##### 2020

	Basic salary	Total
Baraka Juma Kalangahe	26,887	26,887

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# Tanlapia Limited

(Registration number: 51559)

Financial Statements for the year ended 31 December 2021

## Notes to the Financial Statements

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	2021	2020
	TZS '000	TZS '000

---

### 24. Comparative figures

Where necessary, comparative figures have been reclassified to conform to change in presentation in the current year.

The effects of the reclassification are as follows:

#### Statement of Financial Position

Advance towards share capital	-	(392)
Other receivables - unpaid share capital	-	392

### 25. Going concern

We draw attention to the fact that as at 31 December 2021, the company had accumulated losses of TZS 1,310,649,000 and that the company's current liabilities exceeded its current assets by TZS 2,274,250,000.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continues to procure funding for the ongoing operations for the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

The board of directors has reasonable expectation that the company has adequate resources to continue in operational existence for the next twelve months.

The impact of COVID-19 has been taken into consideration in the going concern assessment.

### 26. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.



**Tanlapia Limited**  
(Registration number 51559)  
**Annual report and audited financial statements**  
**for the year ended 31 December 2022**

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## General Information

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<b>Country of incorporation and domicile</b>	Tanzania, United Republic of
<b>Nature of business and principal activities</b>	Marine and fresh water aquaculture
<b>Directors</b>	Fatehali Jaffer Mawji Mahimbo Timothy Mdoe Abdul Iddi Simba Baraka Juma Kalangahe Javed Mawji
<b>Registered office</b>	Plot No 106, Mwakalinga Street Dar es Salaam Tanzania
<b>Bankers</b>	Standard chartered Bank (T) Limited Dar es Salaam-Tanzania  CRDB Bank Plc Dar es Salaam-Tanzania
<b>Auditors</b>	Sherpherd Consulting Certified Public Accountants in Public Practice Dar es Salaam
<b>Secretary</b>	Sameer Madatali Remtulla
<b>Company registration number</b>	51559

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Index

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The reports and statements set out below comprise the annual report and audited financial statements presented to the shareholder:

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Statement of Financial Position	14
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## Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Declaration by the Head of Accounting

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 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 Director/Governing Body 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 International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and the requirements of the Companies Act, 2002 of Tanzania. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under the Statement of Directors' Responsibilities on earlier page.

I, Leodgar Minja being an NBAA registered accountant on behalf of TANLAPIA LIMITED hereby acknowledges responsibility of ensuring that financial statements for the year ended 31 December 2022 have been prepared in compliance with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and the Companies Act No 12 of 2002 of Tanzania.

I, thus confirm that the financial statements give a true and fair view position of TANLAPIA LIMITED as on that date and that they have been prepared based on properly maintained financial records.

Signed by:



Name:

Leodgar Minja

Position:

Outsourced Consultant

NBAA Membership:

ACPA 03500

Date: 28th of July 2023.

## Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Directors' Responsibilities and Approval

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The Companies Act, 2002 of Tanzania requires the directors to prepare financial statements for each financial period that present fairly state of affairs of the Company as at the end of the financial period and of its operating results for that period. It also requires the directors to ensure that the Company keeps proper accounting records, which disclose with reasonable accuracy at any time 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 and detection of fraud, error, and other irregularities.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and the requirements of the Companies Act, 2002 of Tanzania, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the preparation of financial statements during the period, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS for SMEs and the requirements of the Companies Act, 2002 of Tanzania. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and its operating results. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Approved by the Board of Directors on 28th of July 2023 and signed on its behalf by:



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Mahimbo Timothy Mdoe  
Director

Date: 28 July 2023

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## The report by those charged with Governance

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The members charged with governance (directors) present their report together with the audited financial statements of Tanlapia Limited (the Company) for the year ended 31 December 2022, which disclose the state of financial affairs of the Company.

### 1. Incorporation

The Company is incorporated in United Republic of Tanzania under Companies Act, on 1st June 2005 under the Certificate of Incorporation No. 51559, as a private Company limited by share

### 2. Business objectives and strategies

The Company's vision is to be the leading aquaculture company in the region. We continuously endeavour to create valuable client partnerships, based on core principles of transparency and client care

In order to maximize long term returns, the Company has set goals and strategies to deliver sustainable profitable growth.

- Improve socio-economic status by directly creating high wage employment opportunities for the local communities.
- Synergies between the commercial fish farm and rural fish farms, where local farmers readily have access to high quality fingerling through the hatchery and the commercial fish farm can increase output by purchasing directly from local farmers for processing.
- Fish is one of the recommended sources of protein. The availability of quality fish and at a reasonable price will encourage more fish eating and thereby improving generally the health – being of the population.

### 3. Future prospects

It is clear that the low supply of fish has in turn pushed up fish prices. Increased supply levels coupled with an efficient distribution network, will result in lower prices and hence generally fish consumption should be expected to increase significantly. Therefore, the Company will target the regional and international markets due to the significant demand for high quality fish products.

### 4. Review of financial results and activities

The annual report and audited financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 2022. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company are set out in these annual report and audited financial statements.

The operating results and state of affairs of the Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net loss of the Company was TZS 1,477 million (2021: loss TZS 876 million), after taxation of TZS 528 million (2021: TZS (376 million)).

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## The report by those charged with Governance

---

### 5. Share capital

			2022	2021
<b>Authorised</b>			Number of shares	
Ordinary shares			100,000	100,000
<b>Issued</b>			Number of shares	
Ordinary shares	2022 TZS '000	2021 TZS '000	3,921	3,921
Share premium	2,236,164	2,236,164	-	-
	<b>2,240,085</b>	<b>2,240,085</b>	<b>3,921</b>	<b>3,921</b>

There have been no changes to the authorised or issued share capital during the year under review.

The issued unpaid share capital as of 31 December 2022 amounts to TZS 287,188,000. This balance is reported as share capital receivable within trade and other receivables as per **Note 6** of these financial statements.

### 6. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year.

### 7. Directors

The directors in office at the date of this report are as follows:

<b>Directors</b>	<b>Nationality</b>	<b>Changes</b>
Fatehali Jaffer Mawji	Canadian	
Mahimbo Timothy Mdoe	Tanzanian	
Abdul Iddi Simba	Tanzanian	
Baraka Juma Kalangahe	Tanzanian	
Javed Mawji	British	
Freddy Eduardo Lapentti Menendez	Ecuadorian	Resigned Tuesday, 31 January 2023

Mr Freddy Eduardo Lapentti Menendez resigned as a Director and Chief Executive Office effective Tuesday, 31 January 2023, and Mr Mahimbo Timothy Mdoe was appointed as the Chief Executive Officer on Thursday, 1 June 2023 to succeed Mr Freddy Eduardo Lapentti Menendez. The board of directors expressed their sincere appreciation to the outgoing directors for their contributions during their respective periods of office.

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## The report by those charged with Governance

---

### 8. Shareholders of the company

The total number of shareholders during the year are 5 shareholders (previous year: 5 shareholders)

The shares of the Company are held as follows:

Shareholder's name	Number of shares	
	2022	2021
Fatehali Jaffer Mawji	2,000	2,000
Mahimbo Timothy Mdoe	392	392
Freddy Eduardo Lapentti Menendez	392	392
Namado Limited	941	941
Abdu Iddi Simba	196	196
	<b>3,921</b>	<b>3,921</b>

### 9. Directors interests in shares

As at 31 December 2022, the directors of the Company held direct beneficial interests in the issued ordinary shares of the Company. The issued ordinary shares of the Company, as set out below:

#### Interest in shares

Directors	2022	2021	2022	2021
	Direct	Direct	Indirect	Indirect
Fatehali Jaffer Mawji	2,000	2,000	-	-
Mahimbo Timothy Mdoe	392	392	-	-
Abdul Iddi Simba	196	196	-	-
Javed Mawji (Namado Limited)	-	-	491	491
Freddy Eduardo Lapentti Menendez	392	392	-	-
	<b>2,980</b>	<b>2,980</b>	<b>491</b>	<b>491</b>

The register of interests of directors and others in shares of the Company is available to the shareholder on request.

In January 2023, Mr. Freddy Eduardo Lapentti Menendez resigned as director of the Company, and his shares were forfeited after he did not pay for them after a call was issued..

### 10. Corporate governance

The board of directors consists of five directors. The board takes overall responsibility for the Company, including responsibility for 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 required to meet at least four times a year. The board delegates the day to day management of the business to Chief Executive Officer assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting 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.

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## The report by those charged with Governance

---

### 11. Risk management and internal controls

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 operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding;

- The effectiveness and efficiency of operations;
- The safeguarding of the 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 behaviours towards all stakeholders

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

The board assessed the internal control systems throughout the financial year ended 31 December 2022 and is of the opinion that they met accepted criteria.

### 12. Events after the reporting period

After the reporting period, the Chief Executive Officer, Mr. Freddy Eduardo Lapentti, resigned as a director of the company with effect from January 31, 2023. Also, the board of directors is aware of the death of the majority shareholder, Mr. Fatehali Jaffer Mawji, which occurred in early 2023. The board of directors has taken major steps to ensure the financing of the Company is not affected..

### 13. Going concern

We draw attention to the fact that as at 31 December 2022, the company had accumulated losses of TZS 2,788 million and that the Company's current liabilities exceeded its current assets by TZS 4,456 million.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the Company.

The shareholders have confirmed continued financial support to the Company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the Company's ability to pay its debts as they become due in the normal course of business.

The board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months.

### 14. Liquidity

The Company has financing arrangements in form of term loans with Tanzania Agricultural Development Bank and CRDB Bank Plc so that its cash flows are devoted to monthly interest payments. Furthermore, the Company is financed from its shareholder funds to meet the company's working capital requirements.

## **Tanlapia Limited**

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

### **The report by those charged with Governance**

---

#### **15. Employee' relationship**

The relation between employees and management continues to be cordial during the year. There were no unresolved complaints received by management from the employees during the year.

The Company is an equal opportunity employer. It gives 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 regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

#### **16. Litigation statement**

The Company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

#### **17. Secretary**

The company secretary is Sameer Madatali Remtulla.

#### **18. Administrative efficiency.**

The Company's management has requisite skills and competence is therefore capable of handling all administrative matters efficiently

#### **19. Related party transactions**

During the year, no conflict of interest existed between the directors and the Company. The details on related party transactions are disclosed in note 15 to the financial statements.

#### **20. Auditors**

During the year, Shepherd Consulting, Certified Public Accountants was appointed at the Annual General Meeting as the Company's auditor and has expressed its willingness to continue in office in accordance with the Companies Act, 2002 of Tanzania. The details of the firm are provided on page 1

#### **21. Independent auditors**

The auditors, Shepherd Consulting, have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their re-appointment as the Company's auditors for the subsequent year will be put to the next Annual General Meeting for approval.

#### **Company's External Auditors:**

Shepherd Consulting

Company Registration No: 139656717

Certified Public Accountants

TIN No: 106-650-365

25 Mkadini Road, Oysterbay

NBAA Registration No: PF410

P.O. Box 20751

Dar es Salaam, Tanzania.

## **Tanlapia Limited**

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

### **The report by those charged with Governance**

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#### **22. Responsibility of the auditor**

Auditor is responsible to provide assurance of the correctness and consistency of each information contained in the report by those charged with governance with those provided in the financial statements.

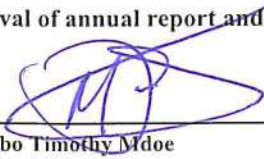
#### **23. Responsibility by those charged with governance**

It is the responsibility of the those charged with governance to prepare financial statements of the entity which show a true and fair view in accordance with applicable standards, rules, regulations, and legal provisions.

This responsibility covers the period from the beginning of the financial year to the date those charged with governance approve the audited financial statements and it covers all those charged with governance who acted in this capacity during any part of the period covered by financial statements.

The annual report and audited financial statements set out on page 14, which have been prepared on the going concern basis, were approved by the board of directors on date of this report, and were signed on its behalf by:

#### **Approval of annual report and audited financial statements**



Mahimbo Timothy Mdoe  
Director

Friday, 28 July 2023

**INDEPENDENT AUDITOR'S REPORT**  
***To the shareholders of TANLAPIA LIMITED***

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

*Opinion*

We have audited the financial statements of TANLAPIA LIMITED ("the Company"), set out on pages 10 to 23 which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2022, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of TANLAPIA LIMITED as at 31 December 2022, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and the requirements of the Companies Act, 2002 of Tanzania.

*Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

*Other Information*

The other information comprises the information included in the pages 3 to 10 of the TANLAPIA LIMITED financial statements for the period ended 31 December 2022, which include the Company Information, Report by Those Charged with Governance, Statement of Directors' Responsibilities, the Declaration of the Head of Finance as required by the Companies Act, 2002, Tanzania and the Auditors and Accountants (Registrations) Act No. 33 of 1972, as amended by Act No. 2 of 1995. The other information does not include the financial statements and our auditor's report thereon. The management is responsible for the other information.

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

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



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
***To the shareholders of TANLAPIA LIMITED***

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

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

***Responsibilities of the Management and Those Charged for Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 of Tanzania, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

***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 auditors' 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 the Company's internal control.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
*To the shareholders of TANLAPIA LIMITED*

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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**

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

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

- We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.
- In our opinion, proper accounting records have been kept by the Company so far as appears from our examination of the books.
- Report by those Charged with Governance is consistent with the financial statements.
- Information specified by law regarding directors' remuneration and transactions with the Company's disclosed; and
- The Company's statement of financial position and statement of comprehensive income agree with the books of account.

Signed by: Jerome Cosmas Mroso (ACPA 3308)  
For and on behalf of Shepherd Consulting  
Certified Public Accountants in Public Practice  
**Dar es Salaam, Tanzania**

28/07/2023

Date



## Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Statement of Financial Position as at 31 December 2022

	Note(s)	2022 TZS '000	2021 TZS '000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	8,709,582	5,417,789
Intangible assets	3	17,083	-
Deferred tax	4	286,352	-
		<b>9,013,017</b>	<b>5,417,789</b>
<b>Current Assets</b>			
Inventories	5	800,670	353,544
Trade and other receivables	6	300,638	553,352
Cash and cash equivalents	7	41,960	308,585
		<b>1,143,268</b>	<b>1,215,481</b>
<b>Total Assets</b>		<b>10,156,285</b>	<b>6,633,270</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	8	2,240,085	2,240,085
Reserves		1,851,652	1,851,652
Accumulated loss		(2,788,233)	(1,310,649)
		<b>1,303,504</b>	<b>2,781,088</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Other financial liabilities	10	3,253,554	121,033
Deferred tax	4	-	241,418
		<b>3,253,554</b>	<b>362,451</b>
<b>Current Liabilities</b>			
Trade and other payables	11	308,290	121,141
Other financial liabilities	10	4,309,593	3,368,590
Bank overdraft	7	981,344	-
		<b>5,599,227</b>	<b>3,489,731</b>
<b>Total Liabilities</b>		<b>8,852,781</b>	<b>3,852,182</b>
<b>Total Equity and Liabilities</b>		<b>10,156,285</b>	<b>6,633,270</b>

The annual report and audited financial statements and the notes on page 5, were approved by the board of directors on the date of this statement and were signed on its behalf by:



Mahimbo Timothy Mdoe  
Director

Date: 28 July 2023

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Statement of Comprehensive Income

	Note(s)	2022 TZS '000	2021 TZS '000
<b>Revenue</b>			
Sale of goods		568,916	104,896
<b>Cost of sales</b>	13	<b>(908,772)</b>	<b>(132,621)</b>
<b>Gross loss</b>		<b>(339,856)</b>	<b>(27,725)</b>
<b>Other income</b>			
Other income		30,741	-
Profit on exchange differences		4,010	-
		<b>34,751</b>	<b>-</b>
<b>Expenses (Refer to page 16)</b>		<b>(1,604,100)</b>	<b>(1,176,339)</b>
<b>Operating loss</b>	15	<b>(1,909,205)</b>	<b>(1,204,064)</b>
Finance costs	19	(96,149)	(47,338)
<b>Loss before taxation</b>		<b>(2,005,354)</b>	<b>(1,251,402)</b>
Taxation	20	527,770	375,825
<b>Loss for the year</b>		<b>(1,477,584)</b>	<b>(875,577)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Gains (losses) on revaluation of property, plant and equipment		2,645,216	2,645,216
Income tax relating to items that will not be reclassified to profit or loss		(793,564)	(793,564)
<b>Total items that will not be reclassified to profit or loss</b>		<b>1,851,652</b>	<b>1,851,652</b>
<b>Other comprehensive income for the year net of taxation</b>		<b>1,851,652</b>	<b>1,851,652</b>
<b>Total comprehensive income for the year</b>		<b>374,068</b>	<b>976,075</b>

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Statement of Comprehensive Income

	Note(s)	2022 TZS '000	2021 TZS '000
<b>Operating expenses</b>			
Accounting fees		(6,177)	-
Advertising & Marketing		(2,221)	-
Auditors remuneration	16	(5,900)	(6,779)
Bank charges		(24,804)	(12,945)
Cleaning expenses		(4,730)	(23)
Commission on labour supply		(12,000)	-
Professional fees		(11,524)	(10,260)
Office expenses		(175)	(82)
Work permit charges		(21,740)	(2,310)
Depreciation, amortisation and impairments		(333,471)	(265,016)
Employee costs		(653,566)	(746,730)
Entertainment		-	(649)
Land revaluation fees		-	(715)
EFD machine		-	(590)
Parking fees		-	(12)
Staff welfare		-	(75)
Electricity Expenses		(175,074)	(25,460)
Fire charges		(1,414)	(1,908)
Fines and penalties		(90)	(8,324)
Water expenses		(852)	-
Car Hiring Expenses		(3,000)	-
Internet and fax expenses		(1,145)	(138)
Business licenses		(708)	-
Insurance expenses		(11,475)	(13,679)
Lease rentals on operating lease		(63,863)	(21,288)
Legal expenses		(8,743)	(3,783)
Stamp Duty		-	(541)
Medical expenses		(699)	(2,071)
Land Rent Charges		(40)	(7,450)
Licence and registrations		-	(52)
Environment Assessment Fees		(3,000)	-
Printing and stationery		(8,412)	(702)
Accommodation Allowance		-	(7,478)
Repairs and maintenance		(75,714)	(3,016)
School fees		(100,123)	-
Security expenses		(24,072)	(22,077)
Computer Accessories		-	(313)
Staff Uniform		(3,634)	-
Telephone and fax		(4,253)	-
Transport and freight		(7,440)	(3,492)
Travel - local		(34,041)	(8,381)
		<b>(1,604,100)</b>	<b>(1,176,339)</b>

## Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Revaluation reserve	Accumulated loss	Total equity
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Balance at 1 January 2021</b>	<b>3,921</b>	<b>2,236,164</b>	<b>2,240,085</b>	<b>495,769</b>	<b>(435,072)</b>	<b>2,300,782</b>
Loss for the year	-	-	-	-	(875,577)	(875,577)
Other comprehensive income	-	-	-	1,355,883	-	1,355,883
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,355,883</b>	<b>(875,577)</b>	<b>480,306</b>
<b>Balance at 1 January 2022</b>	<b>3,921</b>	<b>2,236,164</b>	<b>2,240,085</b>	<b>1,851,652</b>	<b>(1,310,649)</b>	<b>2,781,088</b>
Loss for the year	-	-	-	-	(1,477,584)	(1,477,584)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,477,584)</b>	<b>(1,477,584)</b>
<b>Balance at 31 December 2022</b>	<b>3,921</b>	<b>2,236,164</b>	<b>2,240,085</b>	<b>1,851,652</b>	<b>(2,788,233)</b>	<b>1,303,504</b>
Note(s)	8	8	8	9		

## Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Statement of Cash Flows

	Note(s)	2022 TZS '000	2021 TZS '000
<b>Cash flows from operating activities</b>			
Cash used in operations	21	(1,587,007)	(1,528,294)
Finance costs		(96,149)	(47,338)
<b>Net cash from operating activities</b>		<b>(1,683,156)</b>	<b>(1,575,632)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(3,625,264)	(1,344,342)
Purchase of other intangible assets	3	(17,083)	-
<b>Net cash from investing activities</b>		<b>(3,642,347)</b>	<b>(1,344,342)</b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		4,077,534	3,213,808
<b>Net cash from financing activities</b>		<b>4,077,534</b>	<b>3,213,808</b>
<b>Total cash movement for the year</b>		<b>(1,247,969)</b>	<b>293,834</b>
Cash at the beginning of the year		308,585	14,751
<b>Total cash at end of the year</b>	7	<b>(939,384)</b>	<b>308,585</b>

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual report and audited financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 2022. The annual report and audited financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shilling.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment are tangible assets which the Company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Company.

The useful lives of items of property, plant and equipment have been assessed as follows:

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<b>Item</b>	<b>Depreciation method</b>	<b>Average useful life</b>
Buildings	Straight line	5.00%
Plant and machinery	Straight line	25.00%
Furniture and fixtures	Straight line	12.50%
Motor vehicles	Straight line	25.00%
Office equipment	Straight line	12.50%
IT equipment	Straight line	33.33%
Fishing equipments	Straight line	12.50%
Fish ponds	Straight line	2.50%

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1.1 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.2 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

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Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 Years

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In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

### 1.3 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1.3 Financial instruments (continued)

#### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

### 1.4 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

# Tanlapia Limited

(Registration number: 51559)

Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1.5 Leases (continued)

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

### 1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

### 1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.8 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

### 1.9 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

# Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1.9 Employee benefits (continued)

#### Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

### 1.10 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

### 1.11 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

### 1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.13 Foreign exchange

#### Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Tanzanian Shilling, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.



## Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Notes to the Annual Report And Audited Financial Statements

	2022 TZS '000	2021 TZS '000
<b>2. Property, plant and equipment (continued)</b>		
<b>Details of properties</b>		
<b>Land-Kingani Bagamoyo District: Farm No. 3111</b>		
Cost	36,784	36,784
- Additions since purchase or valuation	3,645,216	708,241
	<b>3,682,000</b>	<b>745,025</b>
<b>Land-Kitalu-Kimarongombe (Bagamoyo): Plot No 40</b>		
- Purchase price:	7,517	7,517
<b>Land-Kitalu-Kimarongombe (Bagamoyo): Plot No 41</b>		
- Purchase price:	16,578	16,578
<b>Land-Kitalu-Kimarongombe (Bagamoyo): Plot No 42</b>		
- Purchase price:	6,248	6,248

### 3. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Computer software, other	17,083	-	17,083	-	-	-

# Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Notes to the Annual Report And Audited Financial Statements

	2022 TZS '000	2021 TZS '000
<b>4. Deferred tax</b>		
The major components of the deferred tax balance are as follows:		
<b>Deferred tax asset</b>		
<b>Arising as a result of temporary differences on:</b>		
Opening balance	(241,418)	(241,418)
Property plant and machinery	(236,840)	-
Exchange difference	3,294	-
Deferred tax balance from temporary differences other than unused tax losses	(474,964)	(241,418)
Tax losses available for set off against future taxable income	761,316	-
<b>Total deferred tax asset</b>	<b>286,352</b>	<b>(241,418)</b>
<b>Reconciliation of deferred tax asset/(liability)</b>		
At beginning of year	(241,418)	(36,151)
<b>Recognised in profit or loss:</b>		
Increases (decrease) in tax loss available for set off against future taxable income	761,316	375,825
Movement in temporary differences on property, plant and equipment	(236,840)	-
Movement in exchange differences	3,294	-
<b>At end of year</b>	<b>286,352</b>	<b>(241,418)</b>
<b>5. Inventories</b>		
Fish feeds	195,786	353,544
Fish production WIP-feeds consumed	542,967	-
Fish production WIP-electricity consumed	56,799	-
Fish production WIP-Ponds chemicals	5,118	-
	<b>800,670</b>	<b>353,544</b>
<b>6. Trade and other receivables</b>		
Trade receivables	-	43,447
Amounts due from related parties	287,188	287,188
Prepayments	2,822	222,717
Deposits	3,740	-
Other receivable	6,888	-
	<b>300,638</b>	<b>553,352</b>

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Notes to the Annual Report And Audited Financial Statements

	2022 TZS '000	2021 TZS '000
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2,000	2,756
Bank balances	39,960	305,829
Bank overdraft	(981,344)	-
	<b>(939,384)</b>	<b>308,585</b>
Current assets	41,960	308,585
Current liabilities	(981,344)	-
	<b>(939,384)</b>	<b>308,585</b>
<b>8. Share capital</b>		
<b>Authorised</b>		
100,000 Ordinary shares of TZS 1,000/= each	100,000	100,000
<b>Issued</b>		
100,000 Ordinary shares of TZS 1,000/= each	3,921	3,921
Share premium	2,236,164	2,236,164
	<b>2,240,085</b>	<b>2,240,085</b>
<b>9. Reserve</b>		
Revaluation reserve	1,851,652	1,851,652
<b>10. Other financial liabilities</b>		
<b>At amortised cost</b>		
CRDB Bank Plc	1,372,046	-
TADB Bank	1,881,508	764,407
Namado Limited	901,387	443,749
Fatehali Jaffer Mawji	2,978,197	2,129,458
Javed Mawji	430,009	152,009
	<b>7,563,147</b>	<b>3,489,623</b>

## Tanlapia Limited

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### Notes to the Annual Report And Audited Financial Statements

	2022	2021
	TZS '000	TZS '000

#### 10. Other financial liabilities (continued)

##### Fatehali Jaffer Mawji/Javed Mawji/Namado Limited

The purpose of the loan is to assist with the operating activities of the Company. The loan was granted on 01 January 2021 and is payable on demand.

No security is pledged against the facility and it attracts an interest at a rate of 7% on the principal amount. The interest will start to accrue in 2023 year of income.

##### Tanzania Agricultural Development Bank loan

The loan amounts are term loan facilities divided into short term loans (Term I) amounting to TZS 792,200,000 and medium term loans (Term II) amounting to TZS 1,671,358,862.

The purpose: Partly financing the construction of the ponds raceways systems (IPRS) Aquaculture project.

Interest: 13% per annum calculated on the daily running balance.

##### Repayment arrangement:

Term I- Repayment in 2 equal installments semi annually after 12 months from the first drawdown

Term II- Repayment in 60 equal monthly installments after grace period of 12 months.

##### Securities

- Legal mortgage over farm property on Plot No.311, Kingani Area, Bagamoyo Coastal Region, CT 34970 in the name of Tanlapia Limited
- Specified charge over each movable asset to be financed by TADB Bank
- AGF Guarantee 20% of the facility
- Debenture over the entire assets of the Company
- Personal guarantee of the shareholders of the Company.

##### Non-current liabilities

At amortised cost	3,253,554	121,033
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##### Current liabilities

At amortised cost	4,309,593	3,368,590
	<b>7,563,147</b>	<b>3,489,623</b>

#### 11. Trade and other payables

Trade payables	221,739	51,008
Amounts received in advance	-	15,000
PAYE payable	25,827	10,565
NSSF Payables	32,129	8,839
SDL payables	4,201	2,152
WCF payables	535	323
Accrued expense	5,906	33,254
Salary payable	17,953	-
	<b>308,290</b>	<b>121,141</b>

# Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

## Notes to the Annual Report And Audited Financial Statements

	2022 TZS '000	2021 TZS '000
<b>12. Revenue</b>		
Sale of goods	568,916	104,896
<b>13. Cost of sales</b>		
<b>Sale of goods</b>		
Cost of goods sold	908,772	132,621
<b>14. Other income</b>		
Profit on exchange differences	4,010	-
Other income	30,741	-
	<b>34,751</b>	<b>-</b>
<b>15. Operating expenses</b>		
Operating expenses include the following expenses:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	63,863	21,288
Depreciation and amortisation	333,471	265,016
Employee costs	653,566	746,730
<b>16. Auditor's remuneration</b>		
Fees	5,900	6,779
<b>17. Employee cost</b>		
<b>Employee costs</b>		
Basic salaries	568,513	669,499
NSSF contribution expenses	56,851	51,292
Workers compensation fund	3,108	4,714
Skill development levy	22,658	21,225
Termination benefits	2,436	-
	<b>653,566</b>	<b>746,730</b>
<b>18. Depreciation, amortisation and impairments</b>		
The following items are included within depreciation, amortisation and impairments:		
<b>Depreciation</b>		
Property, plant and equipment	333,471	265,016

## Tanlapia Limited

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Annual Report And Audited Financial Statements for the year ended 31 December 2022

### Notes to the Annual Report And Audited Financial Statements

	2022 TZS '000	2021 TZS '000
<b>19. Finance costs</b>		
Bank interest on borrowings	96,149	47,338
<b>20. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Deferred taxation</b>		
Local deferred tax - current year	(527,770)	(375,825)
<b>Non provision of tax</b>		
No provision has been made for 2022 tax as the Company has no taxable income. The estimated tax loss available for set off against future taxable income is TZS 4,390,859,000 (2021: TZS 1,851,817,000).		
The normal procedure for agreeing final income tax liability in Tanzania involves the Company filing its final income tax returns with Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a time frame from the Company's own submission of its final tax returns and TRA performing their review and issuing of notice of final tax assessment may take several months or years.		
<b>21. Cash used in operations</b>		
Loss before taxation	(2,005,354)	(1,251,402)
<b>Adjustments for:</b>		
Depreciation and amortisation	333,471	265,016
Profit on foreign exchange	(4,010)	-
Finance costs	96,149	47,338
<b>Changes in working capital:</b>		
Inventories	(447,126)	(353,544)
Trade and other receivables	252,714	(266,164)
Trade and other payables	187,149	30,462
	<b>(1,587,007)</b>	<b>(1,528,294)</b>
<b>22. Related parties</b>		
<b>Related party balances and transactions with other related parties</b>		
<b>Related party balances</b>		
<b>Loan accounts - Owing (to) by related parties</b>		
Fatehali Jaffer Mawji	(2,959,458)	(2,129,458)
Javed Mawji	(420,669)	(152,009)
Namado Limited	(904,841)	(443,749)
<b>Amounts included in Trade receivable (Trade Payable) regarding related parties</b>		
Abdul Iddi Simba	286,796	286,796
Freddy Eduardo Lapentti Menendez	-	392

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## Notes to the Annual Report And Audited Financial Statements

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	2022	2021
	TZS '000	TZS '000

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### 23. Comparative figures

Where necessary, comparative figures have been reclassified to conform to change in presentation in the current year.

### 24. Going concern

We draw attention to the fact that as at 31 December 2022, the company had accumulated losses of TZS 2,788 million and that the Company's current liabilities exceeded its current assets by TZS 4,456 million.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the Company.

The shareholders have confirmed continued financial support to the Company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the Company's ability to pay its debts as they become due in the normal course of business.

The board of directors has reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months.

### 25. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.