

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2021**

**MBOSHO COFFEE COMPANY
LIMITED,
P. O. BOX 282,
MOSHI.**

SOLANI & Co.
CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE
P. O. Box 519, MOSHI.
Tel: (027) 2751793/2750461
Email: info@solanitz.com

MBOSHO COFFEE COMPANY LIMITED

CONTENTS

	Page
Directors and Professional Advisers	A2
Report of the Directors	A3
Statement of Directors Responsibilities	A4
Report of the Auditors	A5
Profit and Loss Account	A6
Balance Sheet	A7
Statement of Changes in Equity	A8
Cash Flow Statement	A9
Notes to the Financial Statements	A10 & A11
Income Statement	A12
Farm Trading Account	A13

MBOSHO COFFEE COMPANY LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

BOARD OF DIRECTORS

Mr. James Richard Powell
Mrs. Elizabeth Ann Deacon

REGISTERED OFFICE

Mbosho Estate, Farm No. 307/1A, Mbosho
Hai District
Kilimanjaro.

SECRETARY

Adil M. Sadiq

AUDITORS

Solani & Co.
Certified Public Accountants in Public Practice

BANKERS

Exim Bank Tanzania Limited
Equity Bank Tanzania Limited

MBOSHO COFFEE COMPANY LIMITED
REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statements for the year ended 31st December, 2021 which show the state of the Company's affairs.

1. PRINCIPAL ACTIVITY

The principal activity of the Company is farming and consultancy services.

2. DIVIDEND

The Directors do not recommend the payment of a dividend for the year.

3. OPERATING RESULTS

The results of Mbosho Coffee Company Limited are as reflected on the attached financial statements appearing on pages A6 to A13.

4. DIRECTORS

Directors who served during the year were: -

Mr. James Richard Powell - British

Mrs. Elizabeth Ann Deacon - British

5. AUDITORS

The Auditors, Solani & Co., have indicated willingness to continue in office and do so under the terms of Sec.170 of the Companies Act,2002.

BY ORDER OF THE BOARD



DIRECTOR

28/4/2022

MBOSHO COFFEE COMPANY LIMITED
DIRECTOR'S RESPONSIBILITIES

The Companies Act requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the Directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The Directors accept the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The Directors further accept responsibility for the maintenance of the accounting records which may be relied 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 the next twelve months from the date of this statement.



.....
DIRECTOR

28/4/ 2022

**AUDITORS' REPORT TO THE MEMBERS OF
MBOSHO COFFEE COMPANY LIMITED**

1 Preamble

We have audited the financial statements on pages 5 to 12 in accordance with International Standards on Auditing. The financial statements, which have been prepared in accordance with the accounting policies set out on Note 1 to the financial statements, are in agreement with the accounting records, and except for the matters mentioned in paragraph 5 below, we have obtained all the information and explanation necessary for the purpose of our audit.

2 Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the financial statements and adopting the accounting policies. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

3 Basis of opinion

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's business, consistently applied and adequately disclosed.

4 We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

5 Matters affecting the opinion

In common with many businesses of similar size and organization, the company's system of internal control as well as financial sustainability is dependent upon the close involvement of the directors. Where independent confirmation of the completeness of accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the accounting records and adequately supported by relevant third party documents. Also where independent confirmation of the future financial sustainability of the company is uncertain, we have accepted assurances from the directors that the company will be able to secure financial resources to enable it to continue trading as a going concern in the foreseeable future.

6 Opinion

Except for the matters described in paragraph 5 above, in our opinion the financial statements give a true and fair view of the state of the company's financial affairs as at 31st December, 2021 in accordance with the International Financial Reporting Standards and comply with the Companies Act, 2002.



**MR. HITESH H. SOLANI
SOLANI & CO.**

CERTIFIED PUBLIC ACCOUNTANT'S IN PUBLIC PRACTICE

Moshi

Date: 28/4/2022

- A5-

MBOSHO COFFEE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 2021

	Note	2021 T.Shs.	2020 T.Shs.
TURNOVER	1 (c)	<u>1,068,284,135</u>	<u>734,587,216</u>
(LOSS)/PROFIT BEFORE TAXATION		<u>(9,749,356)</u>	<u>98,738,703</u>
After Charging:-			
Depreciation		53,449,314	28,411,061
Auditors remuneration		2,950,000	27,735,000
Directors remuneration		<u>20,000,000</u>	<u>20,000,000</u>
TAXATION		-	-
(LOSS)/PROFIT AFTER TAXATION		<u>(9,749,356)</u>	<u>98,738,703</u>
NET GAIN- FAIR VALUE OF BIOLOGICAL ASSETS		-	-
Net (loss)/profit for the year		<u>(9,749,356)</u>	<u>98,738,703</u>
Accumulated losses at the beginning of the year		<u>(415,693,953)</u>	<u>(514,432,656)</u>
Accumulated losses at 31st December, 2021		<u>(425,443,309)</u>	<u>(415,693,953)</u>

MBOSHO COFFEE COMPANY LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 2021

ASSETS		2021	2020
NON CURRENT ASSETS	Note	T.Shs.	T.Shs.
Fixed Assets	2	380,549,600	236,714,211
Biological Assets		286,677,954	286,677,954
		<u>667,227,554</u>	<u>523,392,165</u>
CURRENT ASSETS			
Stocks		8,017,109	35,618,822
Debtors and deposits		139,012,220	168,787,556
Taxation		12,745,500	6,021,000
Bank balances		24,241,243	66,545,692
Cash in hand		258,340	505,725
		<u>184,274,412</u>	<u>277,478,795</u>
TOTAL ASSETS		<u><u>851,501,966</u></u>	<u><u>800,870,960</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	3	1,000,000,000	1,000,000,000
Accumulated losses		(425,443,309)	(415,693,953)
		<u>574,556,691</u>	<u>584,306,047</u>
LOANS		<u>255,472,025</u>	-
CURRENT LIABILITIES			
Directors current accounts		-	11,590,116
Advance payment		-	163,113,989
Creditors and accruals		21,473,250	41,860,808
		<u>21,473,250</u>	<u>216,564,913</u>
TOTAL EQUITY AND LIABILITIES		<u><u>851,501,966</u></u>	<u><u>800,870,960</u></u>

These financial statements were approved by the board of directors on
 _____ 28/4/2022 and were signed on its behalf by:

.....
 DIRECTOR

Report of the Auditors - page A5

Notes on pages A10 and A11 form part of the financial statements.

MBOSHO COFFEE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
31ST DECEMBER, 2021

	Share Capital T.Shs.	Shareholders Contributions T.Shs.	Accumulated Losses T.Shs.	Total T.Shs.
Year ended 31st December, 2020				
As start of year	15,000,000	988,328,850	(514,432,656)	488,896,194
Increase/Decrease during the year	985,000,000	(988,328,850)	-	(3,328,850)
Profit for the year	-	-	98,738,703	98,738,703
At end of year	<u>1,000,000,000</u>	<u>-</u>	<u>(415,693,953)</u>	<u>584,306,047</u>
 Year ended 31st December, 2021				
As start of year	1,000,000,000	-	(415,693,953)	584,306,047
Loss for the year	-	-	(9,749,356)	(9,749,356)
At end of year	<u>1,000,000,000</u>	<u>-</u>	<u>(425,443,309)</u>	<u>574,556,691</u>

MBOSHO COFFEE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2021

	2021	2020
	T.Shs.	T.Shs.
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit for the year	(9,749,356)	98,738,703
Adjustment for:		
Depreciation	53,449,314	28,411,061
Operating profit before working capital change	<u>43,699,958</u>	<u>127,149,764</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	27,601,713	(15,259,949)
Debtors and deposits	29,775,336	(82,355,985)
Directors current accounts	(11,590,116)	(34,265,623)
Advance payment	(163,113,989)	163,113,989
Creditors and accruals	<u>(20,387,558)</u>	<u>(57,065,382)</u>
Net cash from operations	(94,014,656)	101,316,814
TAXATION		
Tax paid	(6,724,500)	(3,000,000)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(197,284,703)	(84,029,803)
Biological assets	-	-
Net cash from investing activities	<u>(197,284,703)</u>	<u>(84,029,803)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan	255,472,025	-
Share capital	-	985,000,000
Shareholders loan account	-	(988,328,850)
Net cash from financing activities	<u>255,472,025</u>	<u>(3,328,850)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(42,551,834)	10,958,161
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	67,051,417	56,093,255
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>24,499,583</u>	<u>67,051,417</u>
	2021	2020
	T.Shs.	T.Shs.
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances	24,241,243	66,545,692
Cash in hand	258,340	505,725
	<u>24,499,583</u>	<u>67,051,417</u>

MBOSHO COFFEE COMPANY LIMITED
NOTE TO THE FINANCIAL STATEMENTS
31ST DECEMBER, 2021

1. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) DEPRECIATION

Depreciation is calculated on a reducing balance method. The principal annual rates adopted for this purpose are as follows: -

Buildings	5% p.a
Fencing	12½ % p.a
Machinery and farm equipments	12½ % p.a
Motor cycles	25% p.a
Motor vehicles	25% p.a
Electrical installations	12½ % p.a
Computers and peripherals	37½ % p.a
Irrigation system	12½ % p.a
Tractors and trailers	37½ % p.a
Furniture and fittings	12½ % p.a
Farm roads	12½ % p.a
Borehole	12½ % p.a

(c) Turnover

Turnover represents the invoice/cash sale value excluding value added tax on consultancy services and farm produces by the Company.

2. FIXED ASSETS (see page A11)

3. SHARE CAPITAL

Authorised

10,000 shares of T.Shs.100,000/- each

2021	2020
T.Shs.	T.Shs.
<u>1,000,000,000</u>	<u>1,000,000,000</u>

Issued and fully paid

10,000 shares of T.Shs.100,000/- each

<u>1,000,000,000</u>	<u>1,000,000,000</u>
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MBOSHO COFFEE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31ST DECEMBER, 2021

2. FIXED ASSETS COST	At			At
	1.1.2021 T.Shs.	Additions T.Shs.	Disposals T.Shs.	31.12.2021 T.Shs.
Buildings	102,681,455	140,000	-	102,821,455
Fencing	4,620,255	-	-	4,620,255
Machinery and farm equipments	89,307,599	44,366,859	-	133,674,458
Motor cycles	1,260,000	-	-	1,260,000
Motor vehicles	-	33,883,500	-	33,883,500
Electrical installations	-	68,878,221	-	68,878,221
Computers and peripherals	8,658,902	1,268,000	-	9,926,902
Irrigation system	111,242,397	8,689,322	-	119,931,719
Tractors and trailers	31,500,000	-	-	31,500,000
Furniture and fittings	3,430,000	-	-	3,430,000
Farm roads	1,170,000	-	-	1,170,000
Borehole	31,440,000	40,058,800	-	71,498,800
	<u>385,310,608</u>	<u>197,284,702</u>	<u>-</u>	<u>582,595,310</u>

DEPRECIATION	At			At
	1.1.2021 T.Shs.	Charge for the year T.Shs.	Disposals T.Shs.	31.12.2021 T.Shs.
Buildings	9,592,777	4,661,434	-	14,254,211
Fencing	2,859,958	220,037	-	3,079,995
Machinery and farm equipments	34,296,207	12,422,281	-	46,718,488
Motor cycles	1,165,393	23,652	-	1,189,045
Motor vehicles	-	8,470,875	-	8,470,875
Electrical installations	-	8,609,778	-	8,609,778
Computers and peripherals	4,538,506	2,020,649	-	6,559,155
Irrigation system	61,524,383	7,300,917	-	68,825,300
Tractors and trailers	29,111,046	895,858	-	30,006,904
Furniture and fittings	933,216	312,098	-	1,245,314
Farm roads	644,910	65,636	-	710,546
Borehole	3,930,000	8,446,100	-	12,376,100
	<u>148,596,396</u>	<u>53,449,314</u>	<u>-</u>	<u>202,045,710</u>

NET BOOK VALUE	At		At
	1.1.2021 T.Shs.		31.12.2021 T.Shs.
Buildings	93,088,678		88,567,244
Fencing	1,760,297		1,540,260
Machinery and farm equipments	55,011,392		86,955,970
Motor cycles	94,607		70,955
Motor vehicles	-		25,412,625
Electrical installations	-		60,268,443
Computers and peripherals	4,120,396		3,367,748
Irrigation system	49,718,014		51,106,419
Tractors and trailers	2,388,954		1,493,096
Furniture and fittings	2,496,784		2,184,686
Farm roads	525,090		459,454
Borehole	27,510,000		59,122,700
	<u>236,714,212</u>		<u>380,549,600</u>

MBOSHO COFFEE COMPANY LIMITED
INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2021

	2021	2020
	T.Shs.	T.Shs.
INCOME		
Consultancy fees	-	59,093,550
Profit from Farm Trading Account	259,038,604	229,683,412
	<u>259,038,604</u>	<u>288,776,962</u>
OTHER INCOME		
Gain on exchange	2,945,670	773,350
ADMINISTRATION AND OTHER EXPENSES		
Directors fees	20,000,000	20,000,000
Electricity and water charges	8,417,600	5,159,508
Fines and penalties	2,090,000	812,500
Printing and stationery	1,446,270	1,376,503
Insurances	4,685,415	-
Audit and accountancy fees	2,950,000	27,735,000
Travelling expenses	2,127,670	460,125
Public relations	1,173,466	723,630
Donations and subscriptions	4,500,000	2,100,000
Postage, telephone, internet and fax charges	3,075,407	5,042,816
Salaries and wages	149,900,096	70,800,270
Legal and professional fees	-	6,919,000
Consultancy fees	34,260,447	4,684,975
Withholding tax	5,658,907	6,856,940
Staff welfare & medical	4,741,950	1,427,800
Licences and permits	6,497,670	6,877,721
Bank charges	1,703,807	1,729,391
Tax arrears	15,471,565	28,105,430
Interest on loan	3,033,360	-
	<u>271,733,630</u>	<u>190,811,609</u>
NET (LOSS)/PROFIT FOR THE YEAR	<u>(9,749,356)</u>	<u>98,738,703</u>

MBOSHO COFFEE COMPANY LIMITED
FARM TRADING ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 2021

	2021	2020
	T.Shs.	T.Shs.
INCOME		
Produce sales	1,068,284,135	675,493,666
 DIRECT COSTS		
Packing materials	1,724,336	1,004,200
Farm rent	35,946,411	29,808,000
Depreciation on property, plant and equipment	53,449,314	28,411,061
Fuel and oils	18,149,115	10,838,618
Post harvest care	10,500	109,500
Livestock expenses	4,699,400	8,374,200
District cess levy	1,824,537	-
Milling and curing costs	37,527,857	7,395,121
Growing costs	318,980,916	70,341,917
Machinery repairs and maintainance	39,659,039	19,307,290
Salaries and wages	222,499,945	204,387,946
Staff medical & welfare	2,195,000	70,000
Tractors & vehicles running expenses	15,331,674	22,834,627
	<u>751,998,044</u>	<u>402,882,480</u>
 OTHER OPERATING EXPENSES		
N.S.S.F Contributions	36,530,563	23,805,398
Skills and development levy	6,078,073	2,911,476
Workers compensation fund	3,008,724	2,376,417
Staff training	539,000	240,000
Transport	6,124,000	7,929,000
Repairs and maintainance	347,847	4,834,283
Stamp duty	397,080	331,200
Security	4,172,200	-
Machine hire	50,000	500,000
	<u>57,247,487</u>	<u>42,927,774</u>
TOTAL EXPENSES	<u>809,245,531</u>	<u>445,810,254</u>
PROFIT FOR THE YEAR	<u>259,038,604</u>	<u>229,683,412</u>