

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2022**

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

 **SOLANI & CO.**

TAX CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE

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MBOSHO COFFEE COMPANY LIMITED

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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, 2022 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


17.2.2023

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

17.2.2023

**MBOSHO COFFEE COMPANY LIMITED
REPORT OF THE AUDITORS**

We have audited the financial statements on pages A6 to A13 which have been prepared under the historical cost convention and accounting policies set out on page A10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS


The Company's Directors are responsible for the preparation of financial statements which give a true and fair view of the Company's state of affairs and its operating results. Our responsibility is to express an independent opinion on the financial statements based on our audit and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. We planned and performed our audit so as to obtain reasonable assurance that the financial statements are free from material misstatement. 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 whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

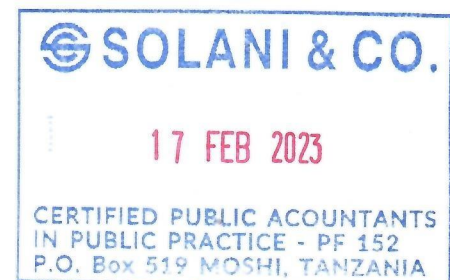
OPINION

Subject to the foregoing, in our opinion the financial statements present a true and fair view of the state of the Company's affairs as at the 31st December, 2022 and of its results and Cash Flows for the year then ended and comply with International Financial Reporting Standards and the Companies Act.



Hitesh H. Solani, FCPA
Solani & Co,
Certified Public Accountants in Public Practice,
MOSHI.

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MBOSHO COFFEE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 2022

	Note	2022 T.Shs.	2021 T.Shs.
TURNOVER	1 (c)	<u>1,138,671,570</u>	<u>1,068,284,135</u>
LOSS BEFORE TAXATION		<u>(197,135,816)</u>	<u>(9,749,356)</u>
After Charging:-			
Depreciation		45,739,137	53,449,314
Auditors remuneration		3,634,695	2,950,000
Directors remuneration		<u>24,000,000</u>	<u>20,000,000</u>
TAXATION		-	-
LOSS AFTER TAXATION		<u>(197,135,816)</u>	<u>(9,749,356)</u>
NET GAIN-FAIR VALUE OF BIOLOGICAL ASSETS		28,667,795	-
Prior years adjustments		5,969,173	-
Net loss for the year		<u>(162,498,848)</u>	<u>(9,749,356)</u>
Accumulated losses at the beginning of the year		<u>(425,443,309)</u>	<u>(415,693,953)</u>
Accumulated losses at 31st December, 2022		<u>(587,942,157)</u>	<u>(425,443,309)</u>

MBOSHO COFFEE COMPANY LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 2022

ASSETS		2022	2021
NON CURRENT ASSETS	Note	T.Shs.	T.Shs.
Fixed Assets	2	398,377,479	380,549,600
Biological Assets		315,345,749	286,677,954
		<u>713,723,228</u>	<u>667,227,554</u>
CURRENT ASSETS			
Stocks		8,213,114	8,017,109
Debtors and deposits		211,417,524	139,012,220
Taxation		17,881,500	12,745,500
Bank balances		33,381,517	24,241,243
Cash in hand		75,873	258,340
		<u>270,969,528</u>	<u>184,274,412</u>
TOTAL ASSETS		<u><u>984,692,756</u></u>	<u><u>851,501,966</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	3	1,000,000,000	1,000,000,000
Accumulated losses		(587,942,157)	(425,443,309)
		<u>412,057,843</u>	<u>574,556,691</u>
LOANS		231,842,025	255,472,025
CURRENT LIABILITIES			
Directors current accounts		231,882,700	-
Creditors and accruals		108,910,188	21,473,250
		<u>340,792,888</u>	<u>21,473,250</u>
TOTAL EQUITY AND LIABILITIES		<u><u>984,692,756</u></u>	<u><u>851,501,966</u></u>

These financial statements were approved by the board of directors on
 _____ 17.12.2023 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, 2022

	Share Capital T.Shs.	Accumulated Losses T.Shs.	Total T.Shs.
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>(425,443,309)</u>	<u>574,556,691</u>
 Year ended 31st December, 2022			
As start of year	1,000,000,000	(425,443,309)	574,556,691
Loss for the year	-	(162,498,848)	(162,498,848)
At end of year	<u>1,000,000,000</u>	<u>(587,942,157)</u>	<u>412,057,843</u>

MBOSHO COFFEE COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2022

	2022	2021
	T.Shs.	T.Shs.
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	(162,498,848)	(9,749,356)
Adjustment for:		
Depreciation	45,739,137	53,449,314
Operating (loss)/profit before working capital change	<u>(116,759,711)</u>	<u>43,699,958</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	(196,005)	27,601,713
Debtors and deposits	(72,405,304)	29,775,336
Directors current accounts	231,882,700	(11,590,116)
Advance payment	-	(163,113,989)
Creditors and accruals	87,436,938	(20,387,558)
Net cash from operations	<u>129,958,618</u>	<u>(94,014,656)</u>
TAXATION		
Tax paid	(5,136,000)	(6,724,500)
CASH FLOW FROM INVESTING ACTIVITIES		
Biological assets	(28,667,795)	-
Purchase of fixed assets	(63,567,016)	(197,284,703)
Net cash from investing activities	<u>(92,234,811)</u>	<u>(197,284,703)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan	(23,630,000)	255,472,025
Net cash from financing activities	<u>(23,630,000)</u>	<u>255,472,025</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>8,957,807</u>	<u>(42,551,834)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE YEAR	<u>24,499,583</u>	<u>67,051,417</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>33,457,390</u></u>	<u><u>24,499,583</u></u>
	2022	2021
	T.Shs.	T.Shs.
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances	33,381,517	24,241,243
Cash in hand	75,873	258,340
	<u><u>33,457,390</u></u>	<u><u>24,499,583</u></u>

MBOSHO COFFEE COMPANY LIMITED
NOTE TO THE FINANCIAL STATEMENTS
31ST DECEMBER, 2022

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

2022	2021
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, 2022

2. FIXED ASSETS	At			At
	1.1.2022	Additions	Disposals	31.12.2022
COST	T.Shs.	T.Shs.	T.Shs.	T.Shs.
Buildings	102,821,455	-	-	102,821,455
Fencing	4,620,255	-	-	4,620,255
Machinery and farm equipments	133,674,458	10,200,000	-	143,874,458
Motor cycles	1,260,000	-	-	1,260,000
Motor vehicles	33,883,500	-	-	33,883,500
Electrical installations	68,878,221	8,449,000	-	77,327,221
Computers and peripherals	9,926,902	-	-	9,926,902
Irrigation system	119,931,719	44,918,016	-	164,849,735
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	71,498,800	-	-	71,498,800
	<u>582,595,310</u>	<u>63,567,016</u>	<u>-</u>	<u>646,162,326</u>

DEPRECIATION	At	Charge for	Disposals	At
	1.1.2022	the year		31.12.2022
	T.Shs.	T.Shs.	T.Shs.	T.Shs.
Buildings	14,254,211	4,428,362	-	18,682,573
Fencing	3,079,995	192,533	-	3,272,528
Machinery and farm equipments	46,718,488	12,144,496	-	58,862,984
Motor cycles	1,189,045	17,739	-	1,206,784
Motor vehicles	8,470,875	6,353,156	-	14,824,031
Electrical installations	8,609,778	1,056,125	-	9,665,903
Computers and peripherals	6,559,155	1,262,905	-	7,822,060
Irrigation system	68,825,300	12,003,054	-	80,828,354
Tractors and trailers	30,006,904	559,911	-	30,566,815
Furniture and fittings	1,245,314	273,086	-	1,518,400
Farm roads	710,545	57,432	-	767,977
Borehole	12,376,100	7,390,338	-	19,766,438
	<u>202,045,710</u>	<u>45,739,137</u>	<u>-</u>	<u>247,784,847</u>

NET BOOK VALUE	At	At
	1.1.2022	31.12.2022
	T.Shs.	T.Shs.
Buildings	88,567,244	84,138,882
Fencing	1,540,260	1,347,728
Machinery and farm equipments	86,955,970	85,011,474
Motor cycles	70,955	53,216
Motor vehicles	25,412,625	19,059,469
Electrical installations	60,268,443	67,661,318
Computers and peripherals	3,367,747	2,104,842
Irrigation system	51,106,419	84,021,381
Tractors and trailers	1,493,096	933,185
Furniture and fittings	2,184,686	1,911,600
Farm roads	459,455	402,023
Borehole	59,122,700	51,732,363
	<u>380,549,600</u>	<u>398,377,479</u>

MBOSHO COFFEE COMPANY LIMITED
INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2022

	2022	2021
	T.Shs.	T.Shs.
INCOME		
Profit from Farm Trading Account	204,998,275	259,038,604
	<u>204,998,275</u>	<u>259,038,604</u>
OTHER INCOME		
Gain on exchange	15,844	2,945,670
ADMINISTRATION AND OTHER EXPENSES		
Directors fees	24,000,000	20,000,000
Electricity and water charges	43,415,400	8,417,600
Fines and penalties	30,000	2,090,000
Printing and stationery	1,854,508	1,446,270
Insurances	4,844,623	4,685,415
Audit and accountancy fees	3,634,695	2,950,000
Travelling expenses	5,811,212	2,127,670
Public relations	885,199	1,173,466
Donations and subscriptions	6,909,800	4,500,000
Postage, telephone, internet and fax charges	5,488,473	3,075,407
Salaries and wages	210,890,434	149,900,096
Legal and professional fees	3,540,000	-
Consultancy fees	33,710,778	34,260,447
Withholding tax	6,828,201	5,658,907
Work permits	10,346,155	-
Staff welfare & medical	9,074,968	4,741,950
Licences and permits	3,191,252	6,497,670
Bank charges	1,723,657	1,703,807
Tax arrears	7,567,793	15,471,565
Interest on loan	18,402,787	3,033,360
	<u>402,149,935</u>	<u>271,733,630</u>
NET LOSS FOR THE YEAR	<u>(197,135,816)</u>	<u>(9,749,356)</u>

MBOSHO COFFEE COMPANY LIMITED
FARM TRADING ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 2022

INCOME	2022	2021
	T.Shs.	T.Shs.
Produce sales	1,138,671,570	1,068,284,135
 DIRECT COSTS		
Packing materials	2,015,763	1,724,336
Farm rent	37,707,476	35,946,411
Depreciation on property, plant and equipment	45,739,137	53,449,314
Fuel and oils	12,902,699	18,149,115
Post harvest care	-	10,500
Livestock expenses	7,126,100	4,699,400
District cess levy	2,465,760	1,824,537
Milling and curing costs	21,979,193	37,527,857
Growing costs	394,951,148	318,980,916
Machinery repairs and maintainance	35,103,164	39,659,039
Salaries and wages	247,700,794	222,499,945
Staff medical & welfare	231,300	2,195,000
Tractors & vehicles running expenses	38,534,867	15,331,674
	<u>846,457,401</u>	<u>751,998,044</u>
 OTHER OPERATING EXPENSES		
N.S.S.F Contributions	44,964,139	36,530,563
Skills and development levy	8,514,220	6,078,073
Workers compensation fund	2,513,561	3,008,724
Staff training	500,000	539,000
Transport	8,046,242	6,124,000
Repairs and maintainance	1,181,500	347,847
Stamp duty	363,792	397,080
Security	21,132,440	4,172,200
Machine hire	-	50,000
	<u>87,215,894</u>	<u>57,247,487</u>
TOTAL EXPENSES	<u>933,673,295</u>	<u>809,245,531</u>
PROFIT FOR THE YEAR	<u>204,998,275</u>	<u>259,038,604</u>