

TRIANON INVESTMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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Table of contents

	Page
Company Information	1
Report by Those Charged With Governance	2 - 8
Statement of Responsibilities by Those Charged With Governance	9
Declaration of Head of Finance	10
Independent Auditors' Report	11 - 13
Statement of Profit or Loss and Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 30

TRIANON INVESTMENT LIMITED

COMPANY INFORMATION

DIRECTORS

<i>Name</i>	<i>Nationality</i>	<i>Date of appointment / resignation</i>
Edward Samson Rukaka	Tanzanian	
Ms. Fatima Adadi Rajabu	Tanzanian	Resigned on 24 January 2022
Eric Lewis Fishel	American	Appointed on 24 January 2022
Paul Bernhard De Rooij	Dutch	Appointed on 24 January 2022

REGISTERED OFFICE AND PLACE OF BUSINESS

Kisiwani Road
Lusanga A (Village)
Lusanga Ward
Muheza District
PO Box 21427
Tanga
Tanzania

INDEPENDENT AUDITOR

Grant Thornton Assurance Tanzania
First Floor, Viva Towers
Ali Hassan Mwinyi Road
PO Box 7906
Dar es Salaam
Tanzania

PRINCIPAL BANKER

CRDB Bank PLC
Muheza Branch
PO Box 277
Tanga
Tanzania

COMPANY SECRETARY

Grant Thornton Advisory East Africa Limited
First Floor, Viva Towers
PO Box 7906
Dar es Salaam
Tanzania

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

1. INTRODUCTION

The members charged with governance submit their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of Trianon Investment Limited, herein referred to as the "Company".

2. INCORPORATION

The Company is incorporated in Tanzania under the Tanzanian Companies Act, 2002 as a private Company limited by shares, and is domiciled in Tanzania. The address of the registered office is set out on page 1.

3. PRINCIPAL ACTIVITIES

The Company sources black pepper, cardamom, cinnamon and clove from small farmers in the Muheza and Morogoro Districts of Tanzania, processes at its factory in Muheza, and exports to Europe and Asia. Trianon is an export only business. The company may expand into other spices or ingredients and expects to expand export sales to other regions, such as North America.

Trianon's impact focus, deep community roots, local presence and diverse management with significant agriculture and spices experience make the company different from other spice companies and dealers operating in East Africa.

There have been no material changes to principal activities of the Company from the prior year.

4. RESULTS AND DIVIDENDS

The company incurred a net loss for the year of TZS 424,420,123 (2021: loss of TZS 1,223,454,764) has been added to accumulated losses. The Directors do not recommend the payment of any dividends for the year ended 31 December 2022 (2021: NIL).

5. FINANCIAL PERFORMANCE FOR THE YEAR

The detailed financial performance of the Company for the year is set out on page 14 of the financial statements. During the year, the Company incurred a net loss after tax of TZS 424,420,123 (2021: loss of TZS 1,223,454,764), a decrease of 64% as compared to previous year. This decrease in loss was mainly attributed to increase in revenue during the year.

A summary of the key ratios obtained from the financial statements is outlined below:

Details	FY2022	FY2021
Growth in income (%)	118%	245%
(Decrease) / increase in operating expenditure (%)	-0.2%	75%
(Decrease) / increase in loss after tax (%)	-65%	-5%
Gross profit margin (%)	2%	-83%
Net loss margin (%)	-23%	-141%
Current ratio (times)	0.5:1	0.03:1
Acid test ratio (times)	0.01:1	0.01:1

The entities budget comes from the Board of Directors on an annual basis. Some important activities have been highlighted below:

Details	Budget TZS'000	Actual TZS'000	Variance TZS'000	Reason for variance
Gross revenue	1,900,000	1,892,749	7,251	Gross revenue was in line with expectations
Gross profit	190,000	39,431	150,569	Gross profit was below expectations due to operational issues related to quality and administrative control in the factory and sourcing

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

5. FINANCIAL PERFORMANCE FOR THE YEAR (CONTINUED)

Details	Budget TZS'000	Actual TZS'000	Variance TZS'000	Reason for variance
Operating loss	(200,000)	(440,576)	(240,576)	Operating profit was below expectations due to issues stated related to gross profit, as well as operational expenses higher than expected

The entity's performance is supported by strong relationships with key customers, creditors and its employees.

6. BUSINESS OBJECTIVES AND STRATEGIES

Trianon Investment is committed to improving its operational procedures and supporting local economies as it works toward its goal of becoming one of the largest spice processing companies in East Africa. Trianon desires to have a positive impact on society and it is therefore committed to develop rural local spice economies, as well as improving farmer well-being incomes and combatting the effects of climate change via research and support on sustainable and regenerative spice farmer techniques for the company's small farmer partners.

The company's objectives fit well with broader political objectives in the country. Tanzania as a country is making efforts in moving into a middle-income country by the year 2025. One of the strategies set by the government emphasizes building a nation that is diverse and highly industrialized. This has opened opportunities to many sectors of the country, the agricultural sector being one of them. Currently the agricultural sector itself contributes to 37.8% of the national GDP and 80% of the country's labour force.

During the year, the board has been able to achieve the below strategic objectives set out in their plan:

- Increase revenue for the year
- First sale of organic spices
- Register 75 farmers organic
- Reduce write off expense substantially

7. FUTURE DEVELOPMENT PLANS

Trianon plans to focus on gross profit margin improvement via improved management and control of factory and sourcing operations. Management expects this to result in lower processing loss and quality issues. After improving gross profit margins, Trianon will again focus on growing spice volumes. Trianon generally expects to grow volumes in its existing spice products of black pepper, cardamom, cinnamon and clove. The majority of Trianon's spice sales are sold in conventional foreign markets, however, in the future Trianon also expects to expand into higher margin organic spice sales. Trianon currently exports to Europe and Asia, although in the future expects to expand into other export markets such as North America.

Trianon expects to continue to invest into PP&E in Tanzania that will support volume growth and quality improvement, resulting in improved margins. These expansions pose some uncertainties for the business, although management is optimistic they will result in continued revenue growth and benefit to margins.

8. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Trianon strives to positively impact society is conscious of environmental, social and governance issues. The company has policies regarding these issues and has undertaken steps to measure the company's impact in these areas in order to improve impact over time.

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

9. CAPITAL STRUCTURE AND SHAREHOLDING

The capital structure of the Company is outlined in Note 16 of these financial statements. As at 31 December 2022, the shareholding was as follows:

		FY2022		FY2021
	%	TZS'000	%	TZS'000
Edward Samson Rukaka	15	1,500	50	1,500
Fatima Adadi Rajabu	15	1,500	50	1,500
Trianon Spices B.V	70	7,000	-	-
		<u>100</u>	<u>100</u>	<u>3,000</u>

10. DIRECTORATE

The directors of the Company are as outlined on page 1. Directors holding shares are outlined in Note 9 of this report.

11. RESOURCES

Trianon Investments has secured a good market position and commitment from international customers due to significant experience brought by management with over thirty years of spice industry experience. These relationships are a significant advantage for the company relative to other local spice producers.

Trianon Investments has also developed strong relationships with small farmers and communities where it sources spices and estimates these relationships at 1,000 to 1,500 farmers. Trianon expects these relationships to grow stronger, particularly as it has a desire to positively impact its small farmer partners. In this regard, Trianon's board has significant experience in developing farmer relationships and networks in Sub-Saharan Africa.

Finally, Trianon Investments has strong access to financial support due to its relationship with Trianon BV. This includes often access to capital at attractive rates relative to other similar companies due to Trianon's impact focus and relationship with Trianon BV.

The Board members have a wealth of knowledge and experience in business, finance and agriculture, having served at diverse set of organizations over a long period of time. The company is grateful for their contributions and looks forward to their continued successful strategic implementation in the future.

12. STAKEHOLDER RELATIONSHIPS

The Company has good relationships with its stakeholders, with no unresolved issues as at the period end.

13. COMMERCIAL AND OPERATIONAL RISKS

There are significant risks in agricultural production due to variables outside the control of the business, such as climatic events or climate change. Management, however, believes it is well positioned to handle these risks given its strong sourcing relationships, diversified product set, access to capital via its partnership with Trianon BV and diversified sourcing regions within Tanzania.

In general, management continuously analyzes internal and external risks that may arise so that its response to these risks will be swift and decisive.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

To ensure its financial stability and profitability, the company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed.

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

15. LIQUIDITY

The company has financing arrangements with related parties. Details of the arrangements are disclosed in Note 18 of these financial statements.

16. TECHNOLOGY AND INNOVATION

We are constantly evaluating the need for innovation throughout the year.

17. ETHICAL BEHAVIOR

The Company's Code of Conduct governs all its activities, internal relations and interactions with stakeholders in accordance with its ethical values. It is expected of all staff to maintain a high level of integrity and honesty in dealing with customers, suppliers, service providers and colleagues. Compliance with the Code of Conduct is the ultimate responsibility of the General Manager, with day-to-day monitoring delegated to line management with the support of personnel officers.

The code is supplemented by the Company's responsibility philosophy as well as its employment practices, occupational health and safety controls.

18. CORPORATE GOVERNANCE

The company has a code of ethics' which all staff are required to abide by. We believe in adopting the best practices in Corporate Governance. The Board, Management and the Company employees are committed to upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the attainment of good governance and excellent performance in any organization.

Members charged with Governance

Functions

The Board is responsible and accountable for providing effective corporate governance, direction and control of the Company. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility. 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 against budgets and business plans.

The Board is responsible for appointing the management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the company. It is also responsible for managing good relationships with all the stakeholders, Chairman, Vice Chairman, General Secretary, Secretary and Treasurer. 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 itself regularly undergoes self-assessment and evaluation in order to improve the internal Governance of the Board. Training is provided to ensure the Board keeps abreast with current developments in the market.

Composition of directors

The board of directors comprised of directors with a mix of skills, experience and diversity. The Directors who were in office from 1 January 2022 to the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Nationality</i>	<i>Qualification</i>
Mr. Edward Samson Rukaka	<i>Director</i>	Tanzanian	Entrepreneur
Ms. Fatima Adadi Rajabu*	<i>Director</i>	Tanzanian	Entrepreneur
Mr. Eric Lewis Fishel	<i>Director</i>	American	MBA, MA
Mr. Paul Bernhard De Rooij	<i>Director</i>	Dutch	MBA

*This Director resigned on 24 January 2022.

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

18. CORPORATE GOVERNANCE (CONTINUED)

The appointment of the directors is in line with the Memorandum and Articles of Association of the Company, as well as the requirements of the Tanzanian Companies Act, 2002.

Outlined below is the attendance of the members at the quarterly board meetings, held during the year:

<i>Name</i>	<i>Q1 held on 31 March 2022</i>	<i>Q2 held on 30 June 2022</i>	<i>Q3 held on 30 Sept 2022</i>	<i>Q4 held on 31 December 2022</i>	<i>Attendance %</i>
Mr. Edward Samson Rukaka	Present	Present	Present	Present	100
Mr. Eric Lewis Fishel	Present	Present	Present	Present	100
Mr. Paul Bernhard De Rooij	Present	Present	Present	Present	100

19. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of those charged with governance 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 (including information);
- Compliance with the applicable laws, regulations and supervisory requirements;
- The reliability of the accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior 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 with such measures by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above-mentioned objective.

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

20. BUSINESS ETHICS AND ORGANIZATION INTEGRITY

The Company's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its directors, managers, employees, customers, suppliers, competitors, investors, shareholders and the public in general. The directors and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to fair commercial competitive practices.

21. FINANCIAL REPORTING AND AUDITING

The directors accept final responsibility for the preparation of the annual financial statements which fairly present:

- The financial position of the Company as at the end of the year under review;
- The financial results of operations, as well as;
- The cash flows for that year.

The responsibility for compiling the annual financial statements was delegated to management. The external auditors report on whether the annual financial statements are fairly presented.

Those charged with governance are satisfied that during the year under review:

Adequate accounting records were maintained;

- An effective system of internal control and risk management, monitored by management, was maintained;

TRIANON INVESTMENT LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

21. FINANCIAL REPORTING AND AUDITING (CONTINUED)

- Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- The financial statements were compiled in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and the requirements of the Tanzanian Companies Act, 2002.
- Those charged with governance are also satisfied that no material event has occurred between the financial year-end and the date of this report.

Those charged with governance are of the opinion that the Company has sufficient resources and commitments at its disposal to operate the business for the foreseeable future, the financial statements have been prepared on a going concern basis.

22. EMPLOYEES

A founding value of our Company has been to provide equal opportunities and a workplace that is of the wider communities in which we operate. Our goal is to make sure we continue to empower the careers, aspirations and ambitions of our people. We have been committed to treating all people equally and nurturing great talent, regardless of gender. This culture is something that we are incredibly proud of, and we believe that it is this supportive environment that has helped us to recruit and retain our exceptional team. We promote diversity within our business, our markets and beyond.

The Company has a good relationship with its employees, with no unresolved issues as at the period end. The Company is an equal opportunity employer, and 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.

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event that a member of staff becomes disabled, every effort is made to ensure that his/her employment with the Company continues and appropriate training is arranged is the policy of the Company that training, career development and promotion of disabled persons should, far as possible, be identical to that of other employees.

The Company pays contributions to National Social Security Fund, which is a publicly administered mandatory pension plans and qualifies to be a defined contribution plan.

The average number of employees during the year was 12 (2021: 11); in addition, Trianon supports local economies with short term employment and contract opportunities, as well as seasonal employees in the factory during production seasons.

23. EVENTS AFTER REPORTING PERIOD

The Directors confirm that there were no events subsequent to the year-end up to the date of this report that required either a disclosure or an adjustment in the financial statements.

24. RELATED PARTY TRANSACTIONS

Transactions with related parties during the year were in the normal course of business. Details of transactions and balances are included in Note 19 of these financial statements.

25. POLITICAL AND CHARITABLE DONATIONS

The company made no political or charitable donations during the year (2021: NIL).

TRIANON INVESTMENT LIMITED

**REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

26. AUDITOR

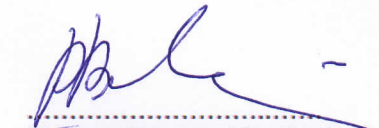
The Company's auditor, Grant Thornton Assurance Tanzania, has expressed its willingness to continue in office in accordance with Tanzanian Companies Act, 2022. The details of the firm are provided on page 1.

27. SOLVENCY AND GOING CONCERN

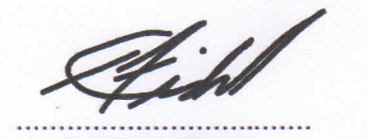
The Company's state of affairs is set out on page 14 of these financial statements.

The Directors confirm that these financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized-Entities (IFRS for SMEs), and that the financial statements have been prepared on a going concern basis with a reasonable expectation that **Trianon Investment Limited** has access to adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements. The Company incurred a net loss for the year ended 31 December 2022 of TZS 424,420,123 (2021: TZS 1,223,454,764). As of that date the Company has accumulated losses of TZS 2,934,883,488 (2021: TZS 2,510,463,365). As at the year end, the current liabilities exceeded the current assets by TZS 2,770,160,797. These conditions are enough to indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. **Trianon Spices BV** (the "ultimate holding company") has confirmed its commitment to continue providing support to the Company till the time the Company's current assets exceed its current liabilities.

BY ORDER OF THE BOARD OF THOSE CHARGED WITH GOVERNANCE


.....
Mr. Paul Bernhard De Rooij
Director

Date: 15 August2023


.....
Mr. Eric Lewis Fishel
Director

Date: 15 August2023

TRIANON INVESTMENT LIMITED

**STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE FOR THE
YEAR ENDED 31 DECEMBER 2022**

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view of **Trianon Investment Limited** comprising the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the Companies Act, 2002. The Directors are also responsible for the compliance with the provisions of TFRS 1.

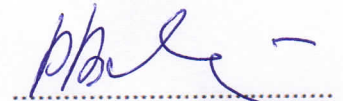
The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

During the year ended 31 December 2022 the Company earned loss before taxation of TZS 424,420,123 (2021: loss of TZS 1,223,454,764), and as at that date, its current liabilities exceeded its current assets by TZS 2,786,316,797 (2021: TZS 2,808,118,546). **Trianon Spices BV** has confirmed its commitment to provide sufficient financial support to the Company to enable it to meet its financial obligation as and when they fall due and to ensure it to continues trading in the foreseeable future. Accordingly, these financial statements have been prepared on the going concern basis.

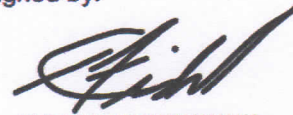
The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The financial statements of Trianon Investment Limited, as identified in the first paragraph, were approved by the Board of Directors on.....15.August.....2023 and signed by:



.....
~~Mr Paul Bernhard De Rooij~~
Director



.....
Mr. Eric Lewis Fishel
Director

TRIANON INVESTMENT LIMITED

**DECLARATION OF HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Statement of Declaration issued by the Head of Finance 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view position of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, Joseph L Chengula, being the Head of Finance of **Trianon Investment Limited**, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirement as on that date and that they have been prepared based on properly maintained financial records.

Signed: 

Position: Outsourced Accountant

NBAA Membership No.: GA 9957

Date: 15th August 2023

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
TRIANON INVESTMENT LIMITED****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of **Trianon Investment Limited** ("the Company"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, comprising significant accounting policies and other explanatory information, as set out on from page 14 to 30.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Trianon Investment Limited** as at 31 December 2022, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium Sized-Entities (IFRS for SMEs), and in the manner required by the Companies Act, 2002.

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 4 in the financial statements, which indicates that the Company incurred a net loss of TZS 424,420,123 during the year ended December 31, 2022 and, as of that date, the Company's current liabilities exceeded its total assets by TZS 2,770,160,797. As stated in Note 4, these events or conditions 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 the Report by Those Charged with Governance as required by the Tanzanian Companies Act, 2002; Statement of Responsibilities by Those Charged With Governance and Declaration of Head of Finance. The other information does not include the financial statements and our auditors' 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.

Grant Thornton Assurance Tanzania**Registered office:**

First Floor, Viva Towers
Ali Hassan Mwinyi Road
PO Box 7906
Dar es Salaam
Tanzania

Grant Thornton Assurance Tanzania

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Partners M Fazel
 K Shah



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRIANON INVESTMENT LIMITED (CONTINUED)

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRIANON INVESTMENT LIMITED (COUNTINUED)

Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report that:

- in our opinion, proper accounting records have been kept by **Trianon Investment Limited**;
- the individual accounts are in agreement with the accounting records of the Company; and
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

**Grant Thornton Assurance Tanzania
Certified Public Accountants (T)
Registration number: PF 403**

**Signed by: Muntazir E. Fazel - ACPA 2323
Dar es Salaam**

Date: *15 August* 2023

TRIANON INVESTMENT LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	FY2022 TZS'000	FY2021 TZS'000
Revenue	5	1,892,749	867,013
Cost of sales	6	<u>(1,853,318)</u>	<u>(1,582,380)</u>
Gross profit / (loss)		39,431	(715,367)
Other income	7	93,846	41,482
Administrative expenses	8	(361,600)	(407,087)
Staff costs	9	<u>(186,633)</u>	<u>(142,483)</u>
Loss before tax		(414,956)	(1,223,455)
Tax charge	10 (a)	<u>(9,464)</u>	<u>-</u>
Loss after tax		(424,420)	(1,223,455)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(424,420)</u>	<u>(1,223,455)</u>

Independent Auditors' Report is on pages 11 to 13.


Notes to the financial statements are on pages 18 to 30.

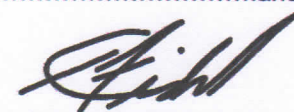
TRIANON INVESTMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	FY2022 TZS'000	FY2021 TZS'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	273,693	300,464
Intangible assets	12	-	191
		<u>273,693</u>	<u>300,655</u>
Current assets			
Inventories	13	123,312	79,778
Trade and other receivables	14	19,100	9,624
Tax receivable	10 (b)	6,700	5,700
Cash and cash equivalents	15	8,525	1,375
		<u>157,637</u>	<u>96,477</u>
TOTAL ASSETS		<u>431,330</u>	<u>397,132</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	10,000	3,000
Accumulated losses		<u>(2,934,884)</u>	<u>(2,510,464)</u>
		<u>(2,924,884)</u>	<u>(2,507,464)</u>
None-Current liabilities			
Loans	18	<u>428,415</u>	<u>436,108</u>
		428,415	436,108
Current liabilities			
Trade and other payables	17	27,902	156,183
Loans	18	2,890,433	2,312,305
Tax payable	10 (c)	9,464	-
		<u>2,927,799</u>	<u>2,468,488</u>
Total liabilities		<u>3,356,214</u>	<u>2,904,596</u>
TOTAL EQUITY AND LIABILITIES		<u>431,330</u>	<u>397,132</u>

Approval of the financial statements

The financial statements were approved by the Board of Directors on...15 August 2023...and signed on its behalf by:


 Mr. Paul Bernhard De Rooij
 Director


 Mr. Eric Lewis Fishel
 Director

Independent Auditors' Report is on pages 11 to 13.

Notes to the financial statements are on pages 18 to 30.

TRIANON INVESTMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital TZS'000	Accumulated losses TZS'000	Total TZS'000
Year ended 31 December 2021			
Balance as at 01 January 2021	800,000	(1,287,009)	(487,009)
<i>Transactions with owners, booked directly in equity</i>			
Recall of shares	(797,000)	-	(797,000)
	<u>(797,000)</u>	<u>-</u>	<u>(797,000)</u>
<i>Total comprehensive income for the period</i>			
Loss for the period	-	(1,223,455)	(1,223,455)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(1,223,455)</u>	<u>(1,223,455)</u>
Balance as at 31 December 2021	<u>3,000</u>	<u>(2,510,464)</u>	<u>(2,507,464)</u>
Year ended 31 December 2022			
Balance as at 01 January 2022	3,000	(2,510,464)	(2,507,464)
<i>Transactions with owners, booked directly in equity</i>			
Issue of shares	7,000	-	7,000
	<u>7,000</u>	<u>-</u>	<u>7,000</u>
<i>Total comprehensive income for the period</i>			
Loss for the period	-	(424,420)	(424,420)
Other comprehensive income	-	-	-
	<u>-</u>	<u>(424,420)</u>	<u>(424,420)</u>
Balance as at 31 December 2022	<u>10,000</u>	<u>(2,934,884)</u>	<u>(2,924,884)</u>

Independent Auditors' Report is on pages 11 to 13.

Notes to the financial statements are on pages 18 to 30.

TRIANON INVESTMENT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	FY2022 TZS'000	FY2021 TZS'000
OPERATING ACTIVITIES:			
Loss before tax		(414,956)	(1,223,455)
<i>Adjustment for:</i>			
- Depreciation and amortization	8	82,265	72,701
		(332,691)	(1,150,754)
<i>Net changes in working capital:</i>			
- Inventories		(43,534)	61,982
- Trade and other receivables		(9,476)	794,864
- Trade and other payables		(128,281)	(1,250,006)
Cash used in operating activities		(513,982)	(1,543,914)
Tax paid		(1,000)	(4,200)
Net cash used in operating activities		(514,982)	(1,548,114)
INVESTING ACTIVITIES:			
Acquisition of PPE	11	(55,303)	(57,998)
Acquisition of intangible assets		-	-
Net cash used in investing activities		(55,303)	(57,998)
FINANCING ACTIVITIES:			
Issue / (recall) of shares		7,000	(797,000)
Net movement on loans		570,435	2,367,098
Net cash generated from financing activities		577,435	1,570,098
Net increase / (decrease) in cash and cash equivalents		7,150	(36,014)
Cash and cash equivalents, beginning of the year	15	1,375	37,389
Cash and cash equivalents, end of the year	15	8,525	1,375

Independent Auditors' Report is on pages 11 to 13.

Notes to the financial statements are on pages 18 to 30.

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

Trianon Investment Limited (“the Company”) is a company domiciled in the United Republic of Tanzania. These financial statements are for the year ended 31 December 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs), and in the manner required by the Companies Act, 2002.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, and incorporate the accounting policies set out below.

(c) Functional and presentation currency

These financial statements are presented in the Tanzanian Shillings (TZS), which is the Company's functional and presentation currency rounded to nearest Tanzanian thousand shillings.

(d) Significant judgements and critical accounting estimates

In the process of applying the company's accounting policies, the management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below:

- **Critical judgements in applying the Company's accounting policies**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as when identified.

- **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that has a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year:

- ***Property, plant and equipment***

Critical estimates are made by the directors in determining the depreciation rates on property, plant and equipment.

- ***Income tax***

The income tax charged to Statement of Profit or Loss and other Comprehensive Income is subjected to agreement with Tanzania Revenue Authority. When the final tax outcome, upon agreement of assessment differs from the amounts originally recorded, such differences are adjusted in subsequent period.

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

(b) Revenue

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT), rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

(c) 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. Those debt instruments which meet the criteria in section 11.8(b) of the standard, 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.

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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.

(e) Equity

Ordinary shares represent the par value of shares that have been issued.

(f) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full.

(g) Impairment

Asset that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset maybe impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset (or CGU'S) fair value less cost to sell and value in use. For the purpose of assessing impairment, asset is companied at the lowest levels for which there are separately identifiable cash flows (CGU'S). Non-financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Employees benefits

Defined contribution plans

The Company makes statutory contributions to the National Social Security Fund (NSSF). The Company's obligations in respect of contributions to such funds are 10% of the employees' gross emoluments. Contributions to these pension funds are recognised as an expense in the period the employees render the related services.

Termination benefits

Termination benefits are recognised as an expense in the year when it becomes payable. Termination benefits are determined in accordance with the Tanzania Labour Law.

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Employees benefits (continued)

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs where applicable, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment is as follows:

	%	Useful life (Years)
- Office equipment	20%	5
- Computers	33.3%	3
- Processing equipment	20%	5
- Motor vehicles	25%	4
- Building store warehouse	20%	5

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition

An item of property, plant and equipment is derecognised when the Company has transferred all the risks and rewards pertaining to the ownership of that item. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. At the time of disposal of the assets, any revaluation surpluses are transferred to retained earnings from revaluation reserve.

TRIANON INVESTMENT LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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 - 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.

(k) Provisions

A provision is recognised if, as result of a past event, the Company has a present legal obligation or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligations. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises purchase cost from suppliers and any other costs incurred in bringing such inventory to its present condition and location. In general, cost is determined on a weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(m) Intangible assets

Intangible assets comprise the cost of acquired computer software and programmes. Expenditure on acquired computer software and programmes is capitalised and measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Current intangible assets which comprise of computer software is amortised over 5 years.

TRIANON INVESTMENT LIMITED

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

4. GOING CONCERN

The Company's state of affairs is set out on page 15 of these financial statements.

The Directors confirm that these financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Sized-Entities (IFRS for SMEs), and that the financial statements have been prepared on a going concern basis with a reasonable expectation that Trianon Investment Limited has access to adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements. The Company incurred a net loss for the year ended 31 December 2022 of TZS 440,576,123 (2021: TZS 897,585,480). As of that date the Company has accumulated losses of TZS 2,934,883,488 (2021: TZS 2,510,463,365). As at the year end, the current liabilities exceeded the current assets by TZS 2,770,160,797. These conditions are enough to indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. **Trianon Spices BV** (the "ultimate holding company") has confirmed its commitment to continue providing support to the Company till the time the Company's current assets exceed its current liabilities.

5. REVENUE

	FY2022	FY2021
	TZS'000	TZS'000
Sale of spices - BAPA BV - <i>see note 19</i>	117,828	867,013
Sales of spices - Trianon Spices B. V - <i>see note 19</i>	1,135,580	-
Sale of spices	639,341	-
	1,892,749	867,013

6. COST OF SALES

	FY2022	FY2021
	TZS'000	TZS'000
Opening stock	79,778	141,760
Purchases	1,440,520	1,372,099
Closing stock	(123,312)	(79,778)
	1,396,986	1,434,081
Direct costs		
Direct labour	27,594	11,051
Factory processing costs	70,989	40,555
Shipping, port and loading costs	61,504	59,928
Customs and excise duties	6,137	84
Government levy	37,127	33,403
Agent fees	6,806	3,278
Processing loss	240,996	-
Organic spices costs	5,179	-
	456,332	148,299
	1,853,318	1,582,380

7. OTHER INCOME

	FY2022	FY2021
	TZS'000	TZS'000
Grant income	73,442	41,482
Other revenue	20,404	-
	93,846	41,482

TRIANON INVESTMENT LIMITED

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

8. ADMINISTRATIVE EXPENSES

	FY2022	FY2021
	TZS'000	TZS'000
Advertising	8,205	8,342
Bank fees	8,876	-
Organic and farmer support activities	3,575	-
Cleaning	100	-
Consulting & accounting	69,347	1,800
Depreciation and amortization	82,265	72,701
Freight & courier	3,736	1,803
General expenses	1,379	20,084
Insurance	836	2,338
Legal expenses	-	3,304
Utilities	1,183	3,976
Motor vehicle expenses	2,697	3,464
Office expenses	24,837	11,073
Printing & stationery	1,535	2,000
Rent	7,915	1,245
Repairs and maintenance	23,423	9,526
Subscriptions	2,000	1,493
Telephone & internet	1,348	4,209
Travel & accommodation	13,473	4,061
Water	440	2,095
Bank revaluations	21,447	203
Hardware & materials	-	7,923
Fuel	17,406	1,791
Low value assets	-	2,182
Organic expenses	8,903	26,284
Write off	-	198,369
Stamp duty	126	-
Transaction costs	603	-
Foreign exchange loss	12,451	-
Regen agri costs	10,268	-
Paris food ingredients conference	1,226	-
Directors expenses	32,000	16,821
	<u>361,600</u>	<u>407,087</u>

9. STAFF COST

	FY2022	FY2021
	TZS'000	TZS'000
Director fees	-	63,870
Wages and salaries	156,109	65,922
NSSF expenses	16,583	6,060
SDL expense	6,233	5,454
WCF expense	838	1,177
Casual labour	6,270	-
Medical expenses	600	-
	<u>186,633</u>	<u>142,483</u>

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

10. TAXATION

(a) Tax charge

	FY2022	FY2021
	TZS'000	TZS'000
Income tax expenses	9,464	-
	<u>9,464</u>	<u>-</u>

The income tax charge is the Alternative Minimum Tax (AMPT) charge, based on 0.5% of revenue, that is charged for entities with perpetual unrelieved tax losses for the current and preceding two income years.

(b) Tax receivable

	FY2022	FY2021
	TZS'000	TZS'000
Tax receivable (advance taxes)	6,700	5,700
	<u>6,700</u>	<u>5,700</u>

(c) Tax payable

	FY2022	FY2021
	TZS'000	TZS'000
Balance as at 01 January	-	-
Income tax charge	9,464	-
Balance as at 31 December	<u>9,464</u>	<u>-</u>

(d) Deferred tax asset

	FY2022	FY2021
	TZS'000	TZS'000
Balance as at 01 January	-	-
Deferred tax credit	-	-
Balance as at 31 December	<u>-</u>	<u>-</u>

The deferred tax asset arises from the following temporary differences:

	FY2022	FY2021
	TZS'000	TZS'000
Timing difference on PPE and intangible assets	89,397	45,765
Tax losses carried forward	1,813,126	2,265,441
Provisions	-	203
Total timing differences	<u>1,902,523</u>	<u>2,311,409</u>
Deferred tax asset there on at 30%	570,757	693,423
Unrecognized deferred tax asset	<u>(570,757)</u>	<u>(693,423)</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

The deferred tax asset has not been recognized in line with the accounting policy 3(f).

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

11. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment TZS'000	Computer TZS'000	Processing Equipment TZS'000	Motor Vehicle TZS '000	Work in Progress TZS '000	Building Store Warehouse TZS '000	Total TZS'000
COST							
Balance at 1 January 2021	15,770	1,300	178,735	63,314	-	121,624	380,743
Additions	3,023	820	7,450	46,705	-	-	57,998
Disposals	-	-	-	-	-	-	-
Balance at 31 December 2021	18,793	2,120	186,185	110,019	-	121,624	438,741
Balance at 1 January 2022	18,793	2,120	186,185	110,019	-	121,624	438,741
Additions	-	-	3,205	2,380	49,718	-	55,303
Disposals	-	-	-	-	-	-	-
Balance at 31 December 2022	18,793	2,120	189,390	112,399	49,718	121,624	494,044
Balance at 1 January 2021	3,154	73	34,550	15,828	-	12,162	65,767
Charge for the year	3,456	478	35,871	20,542	-	12,163	72,510
Disposals	-	-	-	-	-	-	-
Balance at 31 December 2021	6,610	551	70,421	36,370	-	24,325	138,277
Balance at 1 January 2022	6,610	551	70,421	36,370	-	24,325	138,277
Charge for the year	3,759	706	37,397	28,050	-	12,162	82,074
Disposals	-	-	-	-	-	-	-
Balance at 31 December 2022	10,369	1,257	107,818	64,420	-	36,487	220,351
NET BOOK VALUE							
Balance at 31 December 2021	12,183	1,569	115,764	73,649	-	97,299	300,464
Balance at 31 December 2022	8,424	863	81,572	47,979	49,718	85,137	273,693

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

12. INTANGIBLE ASSETS	FY2022 TZS'000	FY2021 TZS'000
Accounting software - cost	573	573
Accumulated amortization	(573)	(382)
	<u>-</u>	<u>191</u>
13. INVENTORIES	FY2022 TZS'000	FY2021 TZS'000
Black pepper	176	75,135
Cinnamon	26,154	4,643
Cloves	67	-
Fresh black pepper	42	-
Organic pepper	96,873	-
	<u>123,312</u>	<u>79,778</u>
14. TRADE AND OTHER RECEIVABLES	FY2022 TZS'000	FY2021 TZS'000
Prepayments	3,347	6,624
Advances	12,753	-
Share capital receivable - <i>See note 19</i>	3,000	3,000
	<u>19,100</u>	<u>9,624</u>
15. CASH AND CASH EQUIVALENTS	FY2022 TZS'000	FY2021 TZS'000
Cash at bank	5,622	375
Cash in hand	2,903	1,000
	<u>8,525</u>	<u>1,375</u>
16. SHARE CAPITAL	FY2022 TZS'000	FY2021 TZS'000
<u>Capital Structure</u>		
<i>Authorized share capital</i>		
10,000 Ordinary shares of TZS 100,000 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<i>Issued share capital</i>		
100 Ordinary shares of TZS 100,000 each (FY 2021: 30 of TZS 100,000)	10,000	3,000
	<u>10,000</u>	<u>3,000</u>

TRIANON INVESTMENT LIMITED

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

16. SHARE CAPITAL (CONTINUED)

<i>Shareholding</i>	%	FY2022 TZS'000	%	FY2021 TZS'000
Edward Samson Rukaka	15	1,500	50	1,500
Fatima Adadi Rajabu	15	1,500	50	1,500
Trianon Spices B.V	70	7,000	-	-
		<u>100</u>	<u>100</u>	<u>3,000</u>

17. TRADE AND OTHER PAYABLES

	FY2022 TZS'000	FY2021 TZS'000
Statutory payables	7,181	35,978
Trade payables	6,477	2,377
Accruals	14,244	-
Pre-financing from BAPA Trading - <i>see note 19</i>	-	117,828
	<u>27,902</u>	<u>156,183</u>

18. LOANS

	FY2022 TZS'000	FY2021 TZS'000
<i>Long term loans - see note 19</i>		
Loan from Trianon Spices BV (Netherlands)	408,542	408,542
Loan from Grounded Investment Company BV (Netherlands)	19,873	27,566
	<u>428,415</u>	<u>436,108</u>
<i>Short term loans - see note 19</i>		
Pre-finance	2,890,433	2,312,305
TOTAL LOANS	<u>3,318,848</u>	<u>2,748,413</u>

Long term loan from Trianon Spices BV:

As of the year-end, the Company had a loan from Trianon Spices BV. This loan was initially advanced by BAPA Trading, and after Trianon Spices BV became the majority shareholder of the Company, the loan was taken over by Trianon Spices BV as well. The purpose of this loan is to finance the Company's investments in fixed assets. The outstanding amount of the loan as of the year-end was TZS 408,542,448, which remains unchanged from the previous year's financial statement (FY 2021: TZS 408,542,448).

Long term loan from Grounded Investment Company BV:

During the year, the Company had a loan from Grounded Investment Company BV to be utilized for investment in additional fixed assets. The amount outstanding as at the year-end was TZS 19,872,938 (FY 2021: 27,565,688).

Short-term pre-finance:

As of the year-end the company had a loan balance of 2,890,433,123, this amount includes the amount of Pre-financing from BAPA that was taken over by Trianon Spices BV, and an additional amount of pre-financing of 578,128,779 received during the period from Trianon Spices BV, the total amount is to be utilized in working capital financing purposes..

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

19. RELATED PARTY TRANSACTIONS

Related party relationships exist between shareholders, fellow group companies, companies under common ownership and management.

The Company is controlled by Trianon Spices B.V, a Company incorporated and registered in Netherlands; which owns 70% of the Company's ordinary shares.

All transactions with related parties are made at arm's length in the normal course of business and on normal commercial terms and conditions.

During the year, the Company had made the following transactions with related parties: -

	FY2022	FY2021
	TZS'000	TZS'000
<i>Transactions with related parties</i>		
Sales to related parties		
BAPA Trading	117,828	867,013
Trianon Spices B. V	<u>1,135,580</u>	<u>-</u>
	<u>1,253,408</u>	<u>867,013</u>
Director fees		
Edward Rukaka	-	63,870
	<u>-</u>	<u>63,870</u>
<i>Balances with related parties</i>		
Amount due from related parties		
Share capital receivable - Edward Rukaka	1,500	1,500
Share capital receivable - Fatima Rajabu	<u>1,500</u>	<u>1,500</u>
	<u>3,000</u>	<u>3,000</u>
Pre-financing from BAPA Trading - <i>see note 17</i>	-	117,828
	<u>-</u>	<u>117,828</u>
Loans from related party		
<i>Long term loans - see note 18</i>		
Trianon Spices B. V	408,542	408,542
Grounded International BV	<u>19,873</u>	<u>27,566</u>
	<u>428,415</u>	<u>436,108</u>
<i>Short term loans - see note 18</i>		
Pre-Finance	2,890,433	2,312,305
	<u>3,318,848</u>	<u>2,748,413</u>

20. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Directors confirm that there are no capital commitments or contingent liabilities involving the Company as at the date of the directors' report.

TRIANON INVESTMENT LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

21. EVENTS AFTER REPORTING PERIOD

The Directors confirm that there were no events subsequent to the year-end up to the date of this report that required either a disclosure or an adjustment in the financial statements.

22. COMPARATIVES

Previous year's figures have been regrouped / reclassified in order to make them comparable with that of the current financial period, wherever necessary.