

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303,
Dar es Salaam
Annual Report 2023

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

TABLE OF CONTENTS

Sr. No.	Particulars	Page No.
1	Corporate Information	1
2	Director's Report & Director's Responsibility Statement	2 to 4
3	Declaration of Head of Accounting and Finance Limited	5
4	Independent Auditor's Report	6 & 7
5	Statement of Profit or Loss and Other Comprehensive Income	8
6	Statement of Financial Position	9
7	Statement of Changes in Equity	10
8	Statement of Cash Flows	11
9	Significant Accounting Policies	12 & 13
10	Notes to the Financial Statements	14 to 19

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

CORPORATE INFORMATION

Board of Directors

<u>Name</u>	<u>Nationality</u>
Mr. Fuad Edha Awadh	Tanzanian
Mr. Awadhi Fuad Edha	Tanzanian
Mr. Ahmed Fuad Edha	Tanzanian

Registered Office of the Company

Plot No. 17
Nyerere Road
P.O. Box 40303,
Dar Es Salaam
Tanzania

Auditors

Baker Tilly DGP & Co.
Certified Public Accountants
P. O. Box 1314,
Dar Es Salaam
Tanzania

Company Secretary

Prabhakaran Kizhakke Madathil
P. O. Box 40303,
Dar Es Salaam
Tanzania

Bankers

NMB Bank Plc

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

DIRECTORS REPORT

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31st December 2023, which disclose the state of affairs of the company.

2. Principal Activities

The principal activity of the company is production of Edible Oil, Soaps and Detergents.

The annual turnover achieved during the year was TZS
111,830,205,122

3. Dividends

The Directors of the company do not recommend any dividends for the year.

4. Related Party Transactions

During the year the company has had transactions with its associated companies as well as Directors. All these transactions were carried out at an arm's length and have been disclosed in the financial statements.

5. Corporate Governance

The Directors believe that high standard of corporate governance directly influence the confidence of the organization's stakeholders and investors. The Directors recognize the importance of integrity, transparency and responsibility.

6. Directors

The Directors of the company at the date of this report all of whom have served the board were:

<u>Name</u>	<u>Nationality</u>
Mr. Fuad Edha Awadh	Tanzanian
Mr. Awadhi Fuad Awadhi	Tanzanian
Mr. Ahmed Fuad Edha Awadh	Tanzanian

7. Company Shareholding

As at 31st December 2023, the company had two shareholders. These are listed below:

Ordinary Shares of Tshs. 10,000 each

	<u>Number</u>
Mr. Fuad Edha Awadh	499,000
M/s.Red Sea Company Limited	1,000

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

8. Auditors

The external auditors Baker Tilly DGP & Co., Certified Public Accountants have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



**FUAD EDHA AWADH
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 28-06-2024**



**AHMED FUAD EDHA
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 28-06-2024**

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are required under the Companies Act supplemented by International Financial Reporting Standards, to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. The auditors are responsible for reporting on these financial statements.


The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31stDecember 2023. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for prevention and detection of fraud or other irregularities.

No matters have come to the attention of Directors to indicate that the company will not remain a going concern for at least the ensuing financial year.

Approved by the Board of Directors on **28th June 2024** and signed on its behalf by: -

BY ORDER OF THE BOARD



**FUAD EDHA AWADH
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 28-06-2024**



**AHMED FUAD EDHA
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 28-06-2024**

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

DECLARATION OF THE HEAD OF ACCOUNTING AND FINANCE

The National Board of Accountants and Auditors (NBAA) according to power conferred under the Auditors and Accountants (Registration) Act 33 of 1972, as amended by Act No. 2 of 1995, require financial statements to be accompanied with a declaration issued by the Head of Finance / Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors / Governing Body / Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors / Governing Body as under Directors Responsibility statement on an earlier page.

I, CPA ALLEN MWITAJA, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2023 have been prepared in compliance with the applicable accounting standard and statutory requirements. I thus confirm that the financial statements give a true and fair view position of the Mikoani Edible Oils & Detergents Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed: 

NBAA Membership No.: ACPA 3603

Date: 28-06-2024

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS' OF
MIKOANI EDIBLE OILS & DETERGENTS LIMITED****Opinion**

We have audited the financial statements of Mikoani Edible Oils & Detergents Limited, which comprise the Statement of Financial Position as at 31st December 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2023 and of its financial performance and its cash flows for the year then ended in accordance with 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with The National Board of Accountants and Auditors (Code of Ethics) By - Laws, 2013, 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.

Emphasis of matter

We draw attention to:

1. Note no. 1.2 to the financial statements in respect to adoption of International Financial Reporting Standards (IFRS). From our audit, we conclude that the financial statements do not comply with IFRS.
2. Inventories have been valued and physically verified by the management.

Our report is not modified in respect of the above matters.

Material uncertainty related to going concern

We draw attention to note no. 18 of the financial statements which indicates that a material uncertainty exists and 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 Director's Report as required by the Companies Act, 2002, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Auditor's responsibilities for the audit of 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 judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.

Conclude on the appropriateness of the director's 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.



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

Report on other legal and regulatory requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) The director's report is consistent with the financial statements;
- iv) Information specified by the law regarding director's remuneration and transactions with the Company is disclosed; and
- v) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,



Kailas K. Bhattbhatt
Partner

Place: Dar es Salaam
Date: **28th June 2024**

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2023

PARTICULARS	NOTE	2023 TZS	2022 TZS
Revenue		111,830,205,122	93,772,653,047
<u>Cost of sales</u>			
Opening stock		15,013,565,200	19,786,037,554
Add: Production cost	2	101,619,146,559	80,742,150,100
Less: Closing stock		<u>(16,762,027,414)</u>	<u>(15,013,565,200)</u>
		99,870,684,345	85,514,622,454
Gross profit		11,959,520,777	8,258,030,594
Other income	3	<u>-</u>	<u>43,637,165</u>
		11,959,520,777	8,301,667,759
<u>Less: Expenses</u>			
Administrative expenses	4	(1,846,396,902)	(1,613,355,043)
Selling and distribution expenses	5	(2,274,583,281)	(2,644,961,682)
Financial expenses	6	<u>(8,745,660,271)</u>	<u>(3,246,548,213)</u>
		(12,866,640,455)	(7,504,864,939)
Profit / (loss) before tax		(907,119,677)	796,802,820
Less: Tax expense / credit		<u>(23,374,159)</u>	<u>(5,687,981)</u>
Profit / (loss) after tax		<u>(930,493,836)</u>	<u>791,114,839</u>

The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:



Director
Name: Fuad Edha Awadh
Dated: 28-06-2024



Director
Name: Ahmed Fuad Edha
Dated: 28-06-2024

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

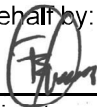
STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2023

PARTICULARS	NOTE	31st December 2023 TZS	31st December 2022 TZS
Non current assets			
Property, plant and equipment	20	18,468,060,421	20,159,540,123
Intangible assets	21	8,903,711	13,289,121
Investments	7	<u>10,000</u>	<u>10,000</u>
		18,476,974,132	20,172,839,244
Current assets			
Inventories	8	16,762,027,414	15,013,565,200
Trade and other receivables	9	3,362,577,284	4,158,752,263
Cash and cash equivalents	10	<u>2,899,947,786</u>	<u>5,487,919,589</u>
		23,024,552,485	24,660,237,051
Total assets		<u>41,501,526,616</u>	<u>44,833,076,295</u>
Equity			
Share capital	11	5,000,000,000	5,000,000,000
Retained earnings		<u>(22,247,074,768)</u>	<u>(21,103,046,087)</u>
		(17,247,074,768)	(16,103,046,087)
Non current liabilities			
Long term liabilities	12	<u>11,650,248,463</u>	<u>11,861,482,056</u>
		11,650,248,463	11,861,482,056
Current liabilities			
Trade and other payables	14	20,466,795,422	20,681,326,609
Provisions	15	912,003,289	658,728,616
Borrowings	13	25,696,180,052	27,728,897,120
Current tax	16	<u>23,374,159</u>	<u>5,687,981</u>
		47,098,352,922	49,074,640,325
Total equity and liabilities		<u>41,501,526,616</u>	<u>44,833,076,295</u>


The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:



Director
Name: Fuad Edha Awadh
Dated: 28-06-2024



Director
Name : Ahmed Fuad Edha
Dated : 28-06-2024

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam


STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023

Particulars	Share capital	Retained earnings	Total
	TZS	TZS	TZS
<u>Year ended 31st December 2022</u>			
As at start of the year	5,000,000,000	(21,849,206,041)	(16,849,206,041)
Prior year Assessment tax paid	-	(44,954,885)	(44,954,885)
	<u>5,000,000,000</u>	<u>(21,894,160,926)</u>	<u>(16,894,160,926)</u>
Net profit / (loss)	-	791,114,839	791,114,839
At the end of the year	<u>5,000,000,000</u>	<u>(21,103,046,087)</u>	<u>(16,103,046,087)</u>
<u>Year ended 31st December 2023</u>			
As at start of the year	5,000,000,000	(21,103,046,087)	(16,103,046,087)
Prior period adjustments	-	(213,534,846)	(213,534,846)
	<u>5,000,000,000</u>	<u>(21,316,580,932)</u>	<u>(16,316,580,932)</u>
Net profit / (loss)	-	(930,493,836)	(930,493,836)
At the end of the year	<u>5,000,000,000</u>	<u>(22,247,074,768)</u>	<u>(17,247,074,768)</u>


The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:



 Director
 Name: Fuad Edha Awadh
 Dated: 28-06-2024



 Director
 Name : Ahmed Fuad Edha
 Dated : 28-06-2024

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023

PARTICULARS	2023 TZS	2022 TZS
<u>Cash flows from operating activities</u>		
Profit / (Loss) before tax	(907,119,677)	796,802,820
<u>Adjustment for:</u>		
Depreciation and amortisation	1,806,171,248	2,028,472,889
Profit on sale of fixed assets	-	(15,439,512)
Prior period adjustments	(213,534,846)	(44,954,885)
	685,516,725	2,764,881,312
<u>Movements in working capital:</u>		
(Increase) / decrease in inventories	(1,748,462,214)	4,772,472,354
(Increase) / decrease in trade and other receivables	790,486,997	1,206,067,209
Increase / (decrease) in trade and other payables	38,743,486	(9,163,617,959)
Cash generated from operations	(233,715,006)	(420,197,084)
Net cash (used in) / generated by operating activities (A)	(233,715,006)	(420,197,084)
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment	(110,306,136)	(214,189,197)
Proceed from disposal of property, plant and equipment	-	33,898,305
Net cash used in investing activities (B)	(110,306,136)	(180,290,892)
<u>Cash flow from financing activities</u>		
Increase / (decrease) in long term loan	(211,233,593)	(1,297,234,428)
Proceed from borrowings	(2,032,717,068)	6,532,185,633
Net cash generated by / (used in) financing activities (C)	(2,243,950,661)	5,234,951,206
Net decrease in cash and cash equivalents (A+B+C)	(2,587,971,803)	4,634,463,230
Cash and cash equivalents at the beginning of the year	5,487,919,589	853,456,359
Cash and cash equivalents at the end of the year	<b style="border-top: 1px solid black; border-bottom: 3px double black;">2,899,947,786	<b style="border-top: 1px solid black; border-bottom: 3px double black;">5,487,919,589


The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:



Director
Name: Fuad Edha Awadh
Dated: 28-06-2024



Director
Name : Ahmed Fuad Edha
Dated: 28-06-2024

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts are prepared on historical cost basis of accounting modified when necessary to include valuation of assets.

1.2 Adoption of International Financial Reporting Standards (IFRS)

The Company has not adopted the International Financial Reporting Standards for the presentation & preparation of its financial statements. In the circumstances, these financial statements have been prepared under the generally accepted accounting principles.

1.3 Revenue Recognition

Sales is accounted on delivery of goods net of VAT. Duty drawback income is accounted on receipt basis.

1.4 Fixed Assets

All Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. In the case of fixed assets acquired for new projects, all expenditure attributable to the new project up to the date of commercial production are capitalized.

1.5 Depreciation

Depreciation of fixed assets has been calculated on reducing balance method to write off the cost and/or valuation of assets over their estimated useful lives. The annual rates applied which are consistent with those of previous years are as follows:

Assets	Rate %
Factory building	4.00
Plant & Machinery	10.00
Furniture & Fixtures	12.50
Motor Vehicle Class II	25.00
Motor Vehicle Class I	10.00
Tools & Equipment& Electrical Installation	10.00
Computer & accessories	12.50

1.6 Borrowings Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset. Borrowing costs incurred after the date the qualifying asset is ready for its intended use are recognised as an expense.

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

1.7 Inventories

Inventories are valued at lower of cost or at net realisable value. In general FIFO method is adopted in valuing stocks. Net realisable value is the value at which stocks may be realised in the normal course of business after allowing for the cost of realisation.

1.8 Foreign Currency Transaction

Transaction in foreign currency on non-monetary items during the year are translated in Tanzania shillings at the rate ruling on the date the transaction take place. Monetary items appearing in the books at the end of the year are translated in Tanzanian Shillings at the rate ruling on the balance sheet date and the resulting gain / loss is taken to the Profit & Loss account.

1.9 Previous year figures have been rearranged and regrouped wherever necessary in order to make them comparable with current year figures.

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
2 Cost of sales		
Purchases	89,154,641,095	67,084,821,608
Add: Direct costs		
Salaries and wages - direct	557,560,240	494,198,336
Purchase of Wood,Natural Gas & spare parts	753,000,782	1,764,182,294
Import duty	1,986,688,928	3,730,248,657
Depreciation	1,396,342,349	1,534,756,592
Direct levies and duties	1,131,469,783	781,489,298
Machinery repair & maintainance	35,862,517	277,357,418
Importation expenses	3,833,195,253	2,408,731,993
Electricity and water expenses	689,234,357	358,854,752
Freight charges	607,440,578	527,652,711
Storage charges	784,200,166	908,046,937
Other direct cost	689,510,510	871,809,504
	<u>12,464,505,464</u>	<u>13,657,328,492</u>
Total cost of sales	<u>101,619,146,559</u>	<u>80,742,150,100</u>
3 Other income		
Miscellaneous income	-	369,257
Insurance claim received	-	27,828,396
Profit on sale of fixed assets	-	15,439,512
Total	-	<u>43,637,165</u>
4 Administrative expenses		
Amortisation of intangibles	4,385,410	6,545,388
Audit fees	5,248,800	4,156,200
Depreciation	405,443,489	487,170,909
Director's remuneration and fees	90,000,000	90,000,000
General insurance expenses	263,513,670	283,828,520
Dues, rates, fees and license charges	40,607,000	38,668,552
NSSF employer contribution	52,724,260	49,419,833
Skills Development Levy	23,197,280	23,367,934
Workers compensation fund	3,086,213	3,209,347
Repairs and maintenance - indirect	687,863,625	387,911,436
Staff welfare expenses	60,308,554	44,213,424
Office expenses	113,518,240	99,479,561
Transportation and travelling expenses	75,258,861	55,291,990
Visa and permit expenses	21,241,500	40,091,950
Total	<u>1,846,396,902</u>	<u>1,613,355,043</u>

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
5 Selling and distribution expenses		
Advertising & business promotion expenses	104,170,075	78,754,131
City service levy charges	46,162,228	281,419,654
Motor vehicle running expenses	167,049,606	217,432,453
Rent - Godown	96,907,252	92,085,462
Fuel expenses	1,753,964,183	1,830,977,472
Labour loading charges expenses	106,329,938	144,292,510
Total	2,274,583,281	2,644,961,682
6 Financial expenses		
Bank charges	175,989,009	230,259,368
Interest on loan from Bank	2,761,321,953	1,573,259,001
Interest on loan from others	573,939,662	601,655,676
Foreign exchange loss / (gain) - realised	4,607,455,948	1,414,889,698
Foreign exchange loss / (gain) - unrealised	626,953,699	(573,515,530)
Total	8,745,660,271	3,246,548,213
7 Investments		
Investment in shares - Mikoani Food Products	10,000	10,000
	10,000	10,000
8 Inventories		
Closing stock of finished goods	16,762,027,414	15,013,565,200
	16,762,027,414	15,013,565,200

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
9 Trade and other receivables		
Advance to employees	425,000	800,000
Advance to suppliers	160,256,714	147,856,919
Other deposit	37,814,500	20,036,000
Prepaid expenses	43,700,000	45,539,168
Short term advances to others	105,876,222	5,253,719
Trade debtors	2,135,236,906	1,823,944,667
VAT receivable	879,267,942	2,115,321,789
	3,362,577,284	4,158,752,263
10 Cash and cash equivalents		
Cash in hand	24,010,530	19,266,460
Cash at banks	2,875,937,256	5,468,653,129
	2,899,947,786	5,487,919,589
11 Share capital		
<u>Authorised capital</u>		
500,000 shares of Tzs 10,000/- each	5,000,000,000	5,000,000,000
<u>Issued and paid up share capital</u>		
500,000 shares of Tzs 10,000/- each	5,000,000,000	5,000,000,000
Unpaid share capital	-	-
	5,000,000,000	5,000,000,000
12 Long term liabilities		
Loan from director	2,690,200,301	2,690,200,301
Long term loan from others	8,960,048,162	9,171,281,755
	11,650,248,463	11,861,482,056
13 Borrowings		
Current		
Short term loan from banks	25,696,180,052	27,728,897,120
	25,696,180,052	27,728,897,120
	25,696,180,052	27,728,897,120

Security details for term loan and bank overdraft:

1. Mortgage on property at Plot no 56.
2. Fixed and Floating Debenture on all assets of the company.
3. Personal Guarantee by Mr. Fuad Edha.
4. Corporate Guarantee of Mikoani Traders Limited.

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	TZS	TZS
14 Trade and other payables		
Trade creditors	19,649,677,576	19,489,919,940
Other payables	6,225,705	592,615
Security Deposits	100,000,000	100,000,000
VAT payable	492,811,857	860,167,307
Import duty payable	-	19,033,373
Advance from customers	99,311,896	146,654,291
Withholding tax payable	118,768,389	64,959,083
	20,466,795,422	20,681,326,609
15 Other Liabilities		
NSSF payable	8,424,186	8,604,602
PAYE payable	6,174,361	5,995,466
SDL payable	1,671,720	2,020,920
City service levy payable	68,473,173	73,800,313
Audit fees payable	4,510,800	4,156,200
Interest Payable	822,681,149	481,966,978
Director remuneration payable	67,900	15,227,900
Assessment tax payable	-	66,956,237
	912,003,289	658,728,616
16 Current tax		
Provision for tax current year tax	23,374,159	5,687,981
	23,374,159	5,687,981

17 Contingent liabilities and commitments

The management does not anticipate any contingent liabilities as at 31st December 2023.

18 Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

19 The company made a Net Loss of Tzs 930,493,836/-(2022: Net profit of Tzs 791,114,839/-) during the year ended 31st December 2023 and, of that date, the Company's current liabilities exceeded its current assets by Tzs 24,073,800,437/-(2022:Tzs 24,414,403,274/-). The directors take note of the fact that continued operating losses and cash flow constraints present a material uncertainty that may cast doubt on the Company's ability to realize its assets and liabilities in the normal course of business.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

20 Property, plant & equipment

Particulars	Land		Factory building		Plant & machinery		Furniture & fixtures		Tools & equipment & electrical installation		Computers & accessories		Motor vehicles class I		Motor vehicles class II		Total	
	TZS		TZS		TZS		TZS		TZS		TZS		TZS		TZS		TZS	
Cost																		
Balances at 1st January 2022	765,334,192	-	6,837,733,023	21,265,278,659	32,607,417	-	37,076,855	144,086,811	115,708,860	1,706,113,169	4,076,507,804	1,706,113,169	4,076,507,804	1,706,113,169	4,076,507,804	34,947,839,373		
Additions	-	-	-	-	-	-	4,949,153	142,000,000	9,208,898	-	-	-	-	-	25,423,729	214,189,197		
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,423,729)	(39,023,729)		
Balances at 31st December 2022	765,334,192	-	6,837,733,023	21,297,886,076	32,607,417	-	42,026,008	286,086,811	124,917,759	1,692,513,169	4,076,507,804	1,692,513,169	4,076,507,804	1,692,513,169	4,076,507,804	35,123,004,841		
Balances at 1st January 2023	765,334,192	-	6,837,733,023	21,297,886,076	9,488,000	-	42,026,008	286,086,811	124,917,759	1,692,513,169	4,076,507,804	1,692,513,169	4,076,507,804	1,692,513,169	4,076,507,804	35,123,004,841		
Additions	-	-	-	-	-	-	3,305,085	84,745,763	2,280,000	10,487,288	-	10,487,288	-	10,487,288	-	110,306,136		
Balances at 31st December 2023	765,334,192	-	6,837,733,023	21,307,374,076	9,488,000	-	45,331,093	370,832,574	127,197,759	1,703,000,457	4,076,507,804	1,703,000,457	4,076,507,804	1,703,000,457	4,076,507,804	35,233,310,977		
Accumulated depreciation																		
Balances at 1st January 2022	-	-	1,618,239,855	8,019,096,432	-	-	17,563,792	70,812,585	43,060,834	452,787,839	2,740,540,816	452,787,839	2,740,540,816	452,787,839	2,740,540,816	12,962,102,153		
Depreciation for the year	-	-	208,779,727	1,325,976,865	-	-	2,791,799	15,610,756	10,047,746	124,199,200	334,521,408	124,199,200	334,521,408	124,199,200	334,521,408	2,021,927,501		
Disposals	-	-	-	-	-	-	-	-	-	(6,226,847)	(14,338,089)	(6,226,847)	(14,338,089)	(6,226,847)	(14,338,089)	(20,564,936)		
Balances at 31st December 2022	-	-	1,827,019,582	9,345,073,297	-	-	20,355,591	86,423,341	53,108,580	570,760,192	3,060,724,135	570,760,192	3,060,724,135	570,760,192	3,060,724,135	14,963,464,718		
Balances at 1st January 2023	-	-	1,827,019,582	9,345,073,297	-	-	20,355,591	86,423,341	53,108,580	570,760,192	3,060,724,135	570,760,192	3,060,724,135	570,760,192	3,060,724,135	14,963,464,718		
Depreciation for the year	-	-	200,428,538	1,195,913,811	-	-	2,986,874	26,322,279	9,178,022	113,010,397	253,945,917	113,010,397	253,945,917	113,010,397	253,945,917	1,801,785,838		
Balances at 31st December 2023	-	-	2,027,448,120	10,540,987,108	-	-	23,342,465	112,745,620	62,286,602	683,770,589	3,314,670,052	683,770,589	3,314,670,052	683,770,589	3,314,670,052	16,765,250,556		
Carrying value																		
Balances at 31st December 2023	765,334,192	-	4,810,284,903	10,766,386,968	9,488,000	-	21,988,628	258,086,954	64,911,157	1,019,229,868	761,837,752	1,019,229,868	761,837,752	1,019,229,868	761,837,752	18,468,060,421		
Balances at 31st December 2022	765,334,192	-	5,010,713,441	11,952,812,779	32,607,417	-	21,670,417	199,663,470	71,809,179	1,121,752,977	1,015,783,669	1,121,752,977	1,015,783,669	1,121,752,977	1,015,783,669	20,159,540,123		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

21 Intangible Assets

Particulars	Software TZS	Total TZS
Cost		
Balances at 1st January 2022	71,975,000	71,975,000
Balances at 31st December 2022	71,975,000	71,975,000
Balances at 1st January 2023	71,975,000	71,975,000
Balances at 31st December 2023	71,975,000	71,975,000
Accumulated depreciation		
Balances at 1st January 2022	52,140,492	52,140,492
Amortisation for the year	6,545,388	6,545,388
Balances at 31st December 2022	58,685,879	58,685,879
Balances at 1st January 2023	58,685,879	58,685,879
Amortisation for the year	4,385,410	4,385,410
Balances at 31st December 2023	63,071,289	63,071,289
Carrying value		
Balances at 31st December 2023	8,903,711	8,903,711
Balances at 31st December 2022	13,289,121	13,289,121

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

COMPUTATION OF TAXABLE INCOME	2023 TZS	2022 TZS
Profit / (loss) as per statement of profit or loss	(907,119,677)	796,802,820
Add:		
Depreciation and amortisation	1,806,171,248	2,028,472,889
Unrealised forex loss - current year	626,953,699	-
Unrealised forex gain - previous year	573,515,530	172,970,574
	2,099,520,800	2,998,246,283
Less:		
Wear and tear allowance	1,839,807,920	2,346,091,453
Profit on sale of fixed assets	-	15,439,512
Unrealised forex gain - current year	-	573,515,530
Taxable income / (loss)	259,712,879	63,199,788
Less: Brought forward losses - to the extent of 70% of taxable income	(181,799,016)	(44,239,851)
Taxable income / (loss) for the year	77,913,864	18,959,937
Tax on income @ 30%	23,374,159	5,687,981
Balance carried forward loss	18,046,717,604	18,228,516,620

Wear and tear schedule

Particulars	Class I	Class II	Class III	Class VI	Total
Rate	37.50%	25.00%	12.50%	5.00%	
Opening balance at 1st January 2023	257,599,167	5,434,024,898	197,194,142	4,575,552,862	10,464,371,069
Add: Additions	12,767,288	9,488,000	88,050,848	-	110,306,136
	270,366,455	5,443,512,898	285,244,990	4,575,552,862	10,574,677,205
Less: Wear and tear	101,387,421	1,360,878,225	35,655,624	341,886,651	1,839,807,920
Closing balance 31st December 2023	168,979,034	4,082,634,674	249,589,366	4,233,666,211	8,734,869,285

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303,
Dar es Salaam
Annual Report 2024

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

TABLE OF CONTENTS

Sr. No.	Particulars	Page No.
1	Corporate Information	1
2	Director's Report & Director's Responsibility Statement	2 to 4
3	Declaration of Head of Accounting and Finance Limited	5
4	Independent Auditor's Report	6 & 7
5	Statement of Profit or Loss and Other Comprehensive Income	8
6	Statement of Financial Position	9
7	Statement of Changes in Equity	10
8	Statement of Cash Flows	11
9	Significant Accounting Policies	12 & 13
10	Notes to the Financial Statements	14 to 19

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

CORPORATE INFORMATION

Board of Directors

<u>Name</u>	<u>Nationality</u>
Mr. Fuad Edha Awadh	Tanzanian
Mr. Awadhi Fuad Edha	Tanzanian
Mr. Ahmed Fuad Edha	Tanzanian

Registered Office of the Company

Plot No. 17
Nyerere Road
P.O. Box 40303,
Dar Es Salaam
Tanzania

Auditors

Baker Tilly DGP & Co.
Certified Public Accountants
P. O. Box 1314,
Dar Es Salaam
Tanzania

Company Secretary

Prabhakaran Kizhakke Madathil
P. O. Box 40303,
Dar Es Salaam
Tanzania

Bankers

NMB Bank Plc

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

DIRECTORS REPORT

1. The Directors have pleasure in submitting their report together with the audited Financial Statements for the year ended 31st December 2024, which disclose the state of affairs of the company.

2. Principal Activities

The principal activity of the company is production of Edible Oil, Soaps, and Detergents.

The annual turnover achieved during the year was TZS
119,207,552,398

3. Dividends

The Directors of the company do not recommend any dividends for the year.

4. Related Party Transactions

During the year, the company has had transactions with its associated companies as well as Directors. All these transactions were carried out at an arm's length and have been disclosed in the financial statements.

5. Corporate Governance

The Directors believe that high standard of corporate governance directly influence the confidence of the organization's stakeholders and investors. The Directors recognize the importance of integrity, transparency, and responsibility.

6. Directors

The Directors of the company at the date of this report all of whom have served the board were:

<u>Name</u>	<u>Nationality</u>
Mr. Fuad Edha Awadh	Tanzanian
Mr. Awadhi Fuad Awadhi	Tanzanian
Mr. Ahmed Fuad Edha Awadh	Tanzanian

7. Company Shareholding

As at 31st December 2024, the company had two shareholders. These are listed below:

Ordinary Shares of Tshs. 10,000 each

	<u>Number</u>
Mr. Fuad Edha Awadh	499,000
M/s.Red Sea Company Limited	1,000

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

8. Auditors

The external auditors, Baker Tilly DGP & Co., Certified Public Accountants, have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



**FUAD EDHA AWADH
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 29-06-2025**



**AHMED FUAD EDHA
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 29-06-2025**

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

STATEMENT OF DIRECTOR'S RESPONSIBILITY

The Directors are required under the Companies Act supplemented by International Financial Reporting Standards, to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. The auditors are responsible for reporting on these financial statements.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31st December 2024. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the company and, hence, for taking reasonable steps for prevention and detection of fraud or other irregularities.

No matters have come to the attention of Directors to indicate that the company will not remain a going concern for at least the ensuing financial year.

Approved by the Board of Directors on 29-June-2025 and signed on its behalf by: -

BY ORDER OF THE BOARD



**FUAD EDHA AWADH
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 29-06-2025**



**AHMED FUAD EDHA
DIRECTOR
PLACE: DAR ES SALAAM
DATE: 29-06-2025**

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

DECLARATION OF THE HEAD OF ACCOUNTING AND FINANCE

The National Board of Accountants and Auditors (NBAA) according to power conferred under the Auditors and Accountants (Registration) Act 33 of 1972, as amended by Act No. 2 of 1995, require financial statements to be accompanied with a declaration issued by the Head of Finance / Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors / Governing Body / Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors / Governing Body as under Directors Responsibility statement on an earlier page.

I, CPA ALLEN MWITANA, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st December, 2024 have been prepared in compliance with the applicable accounting standard and statutory requirements. I thus confirm that the financial statements give a true and fair view position of the Mikoani Edible Oils & Detergents Limited as on that date and that they have been prepared based on properly maintained financial records.

Signed: 

NBAA Membership No.: ACPA 3603

Date: 28/6/2025

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS' OF
MIKOANI EDIBLE OILS & DETERGENTS LIMITED****Opinion**

We have audited the financial statements of Mikoani Edible Oils & Detergents Limited, which comprise the Statement of Financial Position as at 31st December 2024, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2024 and of its financial performance and its cash flows for the year then ended in accordance with 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with The National Board of Accountants and Auditors (Code of Ethics) By - Laws, 2013, 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.

Emphasis of matter

We draw attention to:

1. Note no. 1.2 to the financial statements in respect to adoption of International Financial Reporting Standards (IFRS). From our audit, we conclude that the financial statements do not comply with IFRS.
2. Inventories have been valued and physically verified by the management.

Our report is not modified in respect of the above matters.

Material uncertainty related to going concern

We draw attention to note no. 18 of the financial statements which indicates that a material uncertainty exists and 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 Director's Report as required by the Companies Act, 2002, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with 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.

Partners:

Auditor's responsibilities for the audit of 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 judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.

Conclude on the appropriateness of the director's 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.

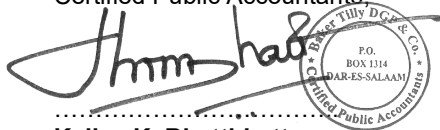
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) The director's report is consistent with the financial statements;
- iv) Information specified by the law regarding director's remuneration and transactions with the Company is disclosed; and
- v) The Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants



Kailas K. Bhattbhatt
Partner

Place: Dar es Salaam
Date: 29th June 2025

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

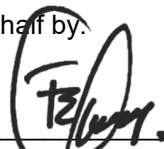
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2024

PARTICULARS	NOTE	2024 TZS	2023 TZS
Revenue		119,207,552,398	111,830,205,122
<u>Cost of sales</u>			
Opening stock		16,762,027,414	15,013,565,200
Add: Production cost	2	94,932,369,089	101,619,146,559
Less: Closing stock		<u>(3,867,745,385)</u>	<u>(16,762,027,414)</u>
		107,826,651,118	99,870,684,345
Gross profit		<u>11,380,901,280</u>	<u>11,959,520,777</u>
<u>Less: Expenses</u>			
Administrative expenses	3	(1,762,715,309)	(1,846,396,902)
Selling and distribution expenses	4	(2,541,642,539)	(2,274,583,281)
Financial expenses	5	<u>(7,122,623,290)</u>	<u>(8,745,660,271)</u>
		(11,426,981,138)	(12,866,640,455)
Profit / (loss) before tax		(46,079,857)	(907,119,677)
Less: Tax expense / credit	15	<u>(49,879,660)</u>	<u>(23,374,159)</u>
Profit / (loss) after tax		<u>(95,959,517)</u>	<u>(930,493,836)</u>


The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:



 Director
 Name: Fuad Edha Awadh
 Dated: 29-06-2025



 Director
 Name: Ahmed Fuad Edha
 Dated: 29-06-2025

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

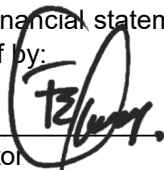
STATEMENT OF FINANCIAL POSITION AS ON 31ST DECEMBER 2024


PARTICULARS	NOTE	31st December 2024 TZS	31st December 2023 TZS
Non current assets			
Property, plant and equipment	19	19,573,454,668	18,468,060,421
Intangible assets	20	5,965,486	8,903,711
Investments	6	10,000	10,000
		<u>19,579,430,154</u>	<u>18,476,974,132</u>
Current assets			
Inventories	7	3,867,745,385	16,762,027,414
Trade and other receivables	8	5,269,305,360	3,362,577,284
Cash and cash equivalents	9	2,409,906,177	2,899,947,786
		<u>11,546,956,923</u>	<u>23,024,552,485</u>
Total assets		<u>31,126,387,077</u>	<u>41,501,526,616</u>
Equity			
Share capital	10	5,000,000,000	5,000,000,000
Retained earnings		<u>(22,747,946,514)</u>	<u>(22,247,074,768)</u>
		<u>(17,747,946,514)</u>	<u>(17,247,074,768)</u>
Non current liabilities			
Long term liabilities	11	<u>12,508,130,600</u>	<u>11,650,248,463</u>
		12,508,130,600	11,650,248,463
Current liabilities			
Trade and other payables	13	7,653,619,559	20,466,795,422
Provisions	14	911,855,753	912,003,289
Borrowings	12	27,750,848,019	25,696,180,052
Current tax	15	49,879,660	23,374,159
		<u>36,366,202,991</u>	<u>47,098,352,922</u>
Total equity and liabilities		<u>31,126,387,077</u>	<u>41,501,526,616</u>

The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:

Director 
Name: Fuad Edha Awadh
Dated: 29-06-2025

Director 
Name : Ahmed Fuad Edha
Dated: 29-06-2025

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2024


Particulars	Share capital	Retained earnings	Total
	TZS	TZS	TZS
<u>Year ended 31st December 2023</u>			
As at start of the year	5,000,000,000	(21,103,046,087)	(16,849,206,041)
Prior year Assessment tax paid	-	(213,534,846)	(44,954,885)
	5,000,000,000	(21,316,580,932)	(16,894,160,926)
Net profit / (loss)	-	(930,493,836)	(930,493,836)
At the end of the year	5,000,000,000	(22,247,074,768)	(17,824,654,762)
<u>Year ended 31st December 2024</u>			
As at start of the year	5,000,000,000	(22,247,074,768)	(17,247,074,768)
Prior period adjustments	-	(404,912,229)	(404,912,229)
	5,000,000,000	(22,651,986,997)	(17,651,986,997)
Net profit / (loss)	-	(95,959,517)	(95,959,517)
At the end of the year	5,000,000,000	(22,747,946,514)	(17,747,946,514)

The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by:


 Director
 Name: Fuad Edha Awadh
 Dated: 29-06-2025


 Director
 Name : Ahmed Fuad Edha
 Dated: 29-06-2025

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

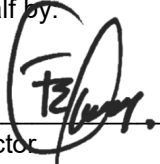
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2024


PARTICULARS	2024 TZS	2023 TZS
<u>Cash flows from operating activities</u>		
Profit / (Loss) before tax	(46,079,857)	(907,119,677)
Adjustment for:		
Depreciation and amortisation	1,625,007,018	1,806,171,248
Prior period adjustments	(404,912,229)	(213,534,846)
	<u>1,174,014,932</u>	<u>685,516,725</u>
<u>Movements in working capital:</u>		
(Increase) / decrease in inventories	12,894,282,029	(1,748,462,214)
(Increase) / decrease in trade and other receivables	(1,930,102,236)	790,486,997
Increase / (decrease) in trade and other payables	(12,813,323,399)	38,743,486
Cash generated from operations	(675,128,674)	(233,715,006)
Less: Taxes paid	-	-
Net cash (used in) / generated by operating activities (A)	(675,128,674)	(233,715,006)
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment	(2,727,463,040)	(110,306,136)
Net cash used in investing activities (B)	(2,727,463,040)	(110,306,136)
<u>Cash flow from financing activities</u>		
Increase / (decrease) in long term loan	857,882,137	(211,233,593)
Proceed from borrowings	2,054,667,968	(2,032,717,068)
Net cash generated by / (used in) financing activities (C)	2,912,550,105	(2,243,950,661)
Net decrease in cash and cash equivalents (A+B+C)	(490,041,609)	(2,587,971,803)
Cash and cash equivalents at the beginning of the year	2,899,947,786	5,487,919,589
Cash and cash equivalents at the end of the year	2,409,906,177	2,899,947,786

The significant accounting policies on pages 12 & 13 and the notes on pages 14 to 19 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 19 were approved by the Board of Directors and signed on behalf by.


 Director
 Name: Fuad Edha Awadh
 Dated: 29-06-2025


 Director
 Name : Ahmed Fuad Edha
 Dated: 29-06-2025

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts are prepared on historical cost basis of accounting modified when necessary to include valuation of assets.

1.2 Adoption of International Financial Reporting Standards (IFRS)

The Company has not adopted the International Financial Reporting Standards for the presentation & preparation of its financial statements. In the circumstances, these financial statements have been prepared under the generally accepted accounting principles.

1.3 Revenue Recognition

Sales is accounted on delivery of goods net of VAT. Duty drawback income is accounted on receipt basis.

1.4 Fixed Assets

All Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. In the case of fixed assets acquired for new projects, all expenditure attributable to the new project up to the date of commercial production are capitalized.

1.5 Depreciation

Depreciation of fixed assets has been calculated on reducing balance method to write off the cost and/or valuation of assets over their estimated useful lives. The annual rates applied which are consistent with those of previous years are as follows:

Assets	Rate %
Factory building	4.00
Plant & Machinery	10.00
Furniture & Fixtures	12.50
Motor Vehicle Class II	25.00
Motor Vehicle Class I	10.00
Tools & Equipment& Electrical Installation	10.00
Computer & accessories	12.50

1.6 Borrowings Costs

Borrowing costs attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset. Borrowing costs incurred after the date the qualifying asset is ready for its intended use are recognised as an expense.

MIKOANI EDIBLE OILS & DETERGENTS LIMITED

P. O. BOX 40303 - DAR ES SALAAM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

1.7 Inventories

Inventories are valued at lower of cost or at net realisable value. In general FIFO method is adopted in valuing stocks. Net realisable value is the value at which stocks may be realised in the normal course of business after allowing for the cost of realisation.

1.8 Foreign Currency Transaction

Transaction in foreign currency on non-monetary items during the year are translated in Tanzania shillings at the rate ruling on the date the transaction take place. Monetary items appearing in the books at the end of the year are translated in Tanzanian Shillings at the rate ruling on the balance sheet date and the resulting gain / loss is taken to the Profit & Loss account.

1.9 Previous year figures have been rearranged and regrouped wherever necessary in order to make them comparable with current year figures.

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	TZS	TZS
2 Cost of sales		
Purchases	80,779,521,841	89,154,641,095
Add: Direct costs		
Salaries and wages - direct	555,222,532	557,560,240
Purchase of wood, natural gas & spare parts	743,686,221	753,000,782
Import duty	3,754,517,841	1,986,688,928
Depreciation	1,269,050,093	1,396,342,349
Direct levies and duties	1,020,890,530	1,131,469,783
Machinery repair & maintainance	53,343,816	35,862,517
Importation expenses	3,966,486,793	3,833,195,253
Electricity and water expenses	592,534,415	689,234,357
Freight charges	611,172,964	607,440,578
Storage charges	889,527,411	784,200,166
Other direct cost	696,414,633	689,510,510
	<u>14,152,847,248</u>	<u>12,464,505,464</u>
Total cost of sales	<u>94,932,369,089</u>	<u>101,619,146,559</u>
3 Administrative expenses		
Amortisation of intangibles	2,938,225	4,385,410
Audit fees	5,670,000	5,248,800
Depreciation	353,018,700	405,443,489
Director's remuneration and fees	90,000,000	90,000,000
General insurance expenses	303,852,244	263,513,670
Dues, rates, fees and license charges	43,876,024	40,607,000
NSSF employer contribution	51,589,253	52,724,260
Skills development levy	19,631,329	23,197,280
Workers compensation fund	2,804,463	3,086,213
Repairs and maintenance - indirect	651,449,532	687,863,625
Staff welfare expenses	108,096,007	60,308,554
Office expenses	85,304,810	113,518,240
Transportation and travelling expenses	24,239,373	75,258,861
Visa and permit expenses	20,245,350	21,241,500
Total	<u>1,762,715,309</u>	<u>1,846,396,902</u>
4 Selling and distribution expenses		
Marketing expenses	307,151,664	104,170,075
City service levy charges	357,622,657	46,162,228
Motor vehicle running expenses	229,719,518	167,049,606
Rent - Godown	12,600,000	96,907,252
Fuel expenses	1,486,302,249	1,753,964,183
Labour loading charges expenses	148,246,450	106,329,938
Total	<u>2,541,642,539</u>	<u>2,274,583,281</u>

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	TZS	TZS
5 Financial expenses		
Bank charges	28,239,083	175,989,009
Interest on loan from bank	3,274,764,690	2,761,321,953
Interest on loan from others	740,327,599	573,939,662
Foreign exchange loss / (gain) - realised	2,038,008,193	4,607,455,948
Foreign exchange loss / (gain) - unrealised	1,041,283,725	626,953,699
Total	7,122,623,290	8,745,660,271
6 Investments		
Investment in shares - Mikoani Food Products	10,000	10,000
	10,000	10,000
7 Inventories		
Closing stock of finished goods	3,867,745,385	16,762,027,414
	3,867,745,385	16,762,027,414
8 Trade and other receivables		
Advance to employees	9,603,000	425,000
Advance to suppliers	1,097,284,603	160,256,714
Other deposit	18,724,500	37,814,500
Prepaid expenses	85,833,630	43,700,000
Short term advances to others	216,571,452	105,876,222
Trade debtors	3,841,288,175	2,135,236,906
VAT receivable	-	879,267,942
	5,269,305,360	3,362,577,284
9 Cash and cash equivalents		
Cash in hand	19,252,592	24,010,530
Cash at banks	2,390,653,586	2,875,937,256
	2,409,906,177	2,899,947,786
10 Share capital		
<u>Authorised capital</u>		
500,000 shares of Tzs 10,000/- each	5,000,000,000	5,000,000,000
<u>Issued and paid up share capital</u>		
500,000 shares of Tzs 10,000/- each	5,000,000,000	5,000,000,000
	5,000,000,000	5,000,000,000
11 Long term liabilities		
Loan from director	2,690,200,301	2,690,200,301
Long term loan from others	9,817,930,299	8,960,048,162
	12,508,130,600	11,650,248,463

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	TZS	TZS
12 Borrowings		
Current		
Short term loan from banks	27,750,848,019	25,696,180,052
	<u>27,750,848,019</u>	<u>25,696,180,052</u>
	<u>27,750,848,019</u>	<u>25,696,180,052</u>
Security details for term loan and bank overdraft:		
1. Mortgage on property at Plot no 56.		
2. Fixed and Floating Debenture on all assets of the company.		
3. Personal Guarantee by Mr. Fuad Edha.		
4. Corporate Guarantee of Mikoani Traders Limited.		
13 Trade and other payables		
Trade creditors	5,072,182,168	19,649,677,576
Import duty payable	369,035,367	6,225,705
Security deposits	1,814,829,395	100,000,000
VAT payable	98,720,681	492,811,857
Advance from customers	152,524,531	99,311,896
Withholding tax payable	146,327,417	118,768,389
	<u>7,653,619,559</u>	<u>20,466,795,422</u>
14 Other Liabilities		
NSSF payable	9,233,982	8,424,186
PAYE payable	5,121,618	6,174,361
SDL payable	1,615,947	1,671,720
City service levy payable	56,428,347	68,473,173
Audit fees payable	4,860,000	4,510,800
Interest payable	825,757,959	822,681,149
Director remuneration payable	8,837,900	67,900
	<u>911,855,753</u>	<u>912,003,289</u>
15 Current tax		
Balance b/f	23,374,159	-
Provision for tax current year tax	49,879,660	23,374,159
Assessment tax paid	(23,374,159)	-
	<u>49,879,660</u>	<u>23,374,159</u>

MIKOANI EDIBLE OILS & DETERGENTS LIMITED
P.O. Box 40303, Dar Es Salaam

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024	2023
	TZS	TZS

16 Contingent liabilities and commitments

The management does not anticipate any contingent liabilities as at 31st December 2024.

17 Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

18 The company made a Net loss of Tzs 95,959,517 (2023: Net Loss of Tzs 930,493,836) during the year ended 31st December 2024 and, of that date, the Company's current liabilities exceeded its current assets by Tzs 25,532,422,769 (2023:Tzs 24,073,800,437). The directors take note of the fact that continued operating losses and cash flow constraints present a material uncertainty that may cast doubt on the Company's ability to realize its assets and liabilities in the normal course of business.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

19 Property, plant & equipment

Particulars	Land		Factory building		Plant & machinery		Furniture & fixtures		Tools & equipment & electrical Installation		Computers & accessories		Motor vehicles class I		Motor vehicles class II		Total	
	TZS		TZS		TZS		TZS		TZS		TZS		TZS		TZS		TZS	
Cost																		
Balances at 1st January 2023	765,334,192		6,837,733,023		21,297,866,076		42,026,008		286,086,811		124,917,759		1,692,513,169		4,076,507,804		35,123,004,841	
Additions	-		-		9,488,000		3,305,085		84,745,763		2,280,000		10,487,288		-		110,306,136	
Balances at 31st December 2023	765,334,192		6,837,733,023		21,307,374,076		45,331,093		370,832,574		127,197,759		1,703,000,457		4,076,507,804		35,233,310,977	
Balances at 1st January 2024	765,334,192		6,837,733,023		21,307,374,076		45,331,093		370,832,574		127,197,759		1,703,000,457		4,076,507,804		35,233,310,977	
Additions	2,237,329,650		-		-		-		3,203,390		2,930,000		98,067,797		385,932,203		2,727,463,040	
Balances at 31st December 2024	3,002,663,842		6,837,733,023		21,307,374,076		45,331,093		374,035,963		130,127,759		1,801,068,253		4,462,440,007		37,960,774,017	
Accumulated depreciation																		
Balances at 1st January 2023	-		1,827,019,582		9,345,073,297		20,355,591		86,423,341		53,108,580		570,760,192		3,060,724,135		14,963,464,718	
Depreciation for the year	-		200,428,538		1,195,913,811		2,986,874		26,322,279		9,178,022		113,010,397		253,945,917		1,801,785,838	
Balances at 31st December 2023	-		2,027,448,120		10,540,987,108		23,342,465		112,745,620		62,286,602		683,770,589		3,314,670,052		16,765,250,556	
Balances at 1st January 2024	-		2,027,448,120		10,540,987,108		23,342,465		112,745,620		62,286,602		683,770,589		3,314,670,052		16,765,250,556	
Depreciation for the year	-		192,411,396		1,076,638,697		2,748,579		25,964,557		8,235,145		102,740,218		213,330,201		1,622,068,793	
Balances at 31st December 2024	-		2,219,859,516		11,617,625,805		26,091,044		138,710,177		70,521,747		786,510,807		3,528,000,253		18,387,319,349	
Carrying value																		
Balances at 31st December 2024	3,002,663,842		4,617,873,507		9,689,748,271		19,240,049		235,325,786		59,606,012		1,014,557,446		934,439,754		19,573,454,668	
Balances at 31st December 2023	765,334,192		4,810,284,903		10,766,386,968		21,988,628		258,086,954		64,911,157		1,019,229,868		761,837,752		18,468,060,421	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

20 Intangible Assets

Particulars	Software TZS	Total TZS
<u>Cost</u>		
Balances at 1st January 2023	71,975,000	71,975,000
Balances at 31st December 2023	<u>71,975,000</u>	<u>71,975,000</u>
Balances at 1st January 2024	71,975,000	71,975,000
Balances at 31st December 2024	<u>71,975,000</u>	<u>71,975,000</u>
<u>Accumulated depreciation</u>		
Balances at 1st January 2023	58,685,879	58,685,879
Amortisation for the year	4,385,410	4,385,410
Balances at 31st December 2023	<u>63,071,289</u>	<u>63,071,289</u>
Balances at 1st January 2024	63,071,289	63,071,289
Amortisation for the year	2,938,225	2,938,225
Balances at 31st December 2024	<u>66,009,514</u>	<u>66,009,514</u>
<u>Carrying value</u>		
Balances at 31st December 2024	<u>5,965,486</u>	<u>5,965,486</u>
Balances at 31st December 2023	<u>8,903,711</u>	<u>8,903,711</u>