

MAPINGA PREMIUM FOODS LIMITED  
PERIOD REPORT  
AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE TEN-MONTH PERIOD ENDED  
31 DECEMBER 2023

**MAPINGA PREMIUM FOODS LIMITED  
PERIOD REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

**GENERAL INFORMATION**

Directors	Mr. Rudolf Pieter Hoondert Mr. Wilbert Basilius Kapinga Mr. Maarten Chandra Johannes Adrianus Steinfort
Registered office and principal place of business	Mapinga Premium Foods Limited Region Pwani, District Bagamoyo, Ward Mapinga, Postal code 61323, Street Kibosha, Road Bagamoyo, Plot number 1, Block number C, House number Nil, PO Box: 105885
Banker	CRDB Bank Tanzania Limited Ali Hassan Mwinyi Road, P. O. Box 268, Dar es Salaam.
Independent auditor	Ernst & Young Certified Public Accountants EY House, Plot No. 162/1- Mzingo Way, 14111 Oysterbay, P.O. Box 2475 Dar es Salaam, Tanzania.
Company secretary	Bowmans Tanzania Limited 2 <sup>nd</sup> Floor, The Luminary Cnr Haile Selassie and Chole Road, Masaki P.O Box 78552 Dar es Salaam Tanzania

**MAPINGA PREMIUM FOODS LIMITED  
PERIOD REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE TEN-MONTH ENDED 31 DECEMBER 2023**

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## MAPINGA PREMIUM FOODS LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE TEN-MONTH ENDED 31 DECEMBER 2023

#### 1. Introduction

The Directors present their report together with the audited financial statements of Mapinga Premium Foods Limited (the "Company") for the ten-month period ended 31 December 2023 which discloses the state of affairs of the Company. This report is prepared in compliance with the requirements of the Companies Act, 2002 of Tanzania and the provisions of the Tanzania Financial Reporting Standard (TFRS) No. 1 – *The Report by Those Charged with Governance*. The first financial period of the Company runs from 15 March 2023 up to and including 31 December 2023.

#### 2. Incorporation

The Company was incorporated on 15 March 2023 with registration number 164335917 and obtained its certificate to commence business on the same day.

The Company is domiciled in Dar Es Salaam, in the United Republic of Tanzania where it is incorporated as a private Company limited by shares under the Companies Act, 2002 of Tanzania. The address of the registered office is set out on page 1.

#### 3. Review of financial results and activities

The Company recorded an operating loss of TZS 1,239 million during the financial period ended 31 December 2023. The Company did not make any production for sale as the setup of its operations was still in progress as at 31 December 2023.

Full details of the financial position, performance and cash flows of the Company are set out in these financial statements.

#### 4. Principal activities

The Company's core activity is the manufacture and sale of potato crisps. The Company sources its raw materials which is mainly potatoes from the local farmers in the southern part of Tanzania and processes these raw materials to produce finished products, in this case potato crisps.

The Company was not operational during the period and hence did not generate any sales, however it is expected that the majority of its customers will be small shops and supermarkets. The Company intends to supply the potato crisps directly to the retail shops where the final consumer can purchase the crisps at an affordable price.

#### 5. Share capital

The capital structure of the Company for the period under review was as shown below:

Distribution of Shareholdings	Percent Holding	Number of Shares
Mapinga Premium Foods B.V.	99.999%	102,999
7HILLS Holding B.V.	0.001%	1
Total	100%	103,000

#### 6. Accounting Policies

The annual financial statements are prepared on the underlying assumption of a going concern. The Company's accounting policies, which are set out in note 3 of the financial statements, are subject to an annual review to ensure continuing compliance with International Financial Reporting Standards.

## MAPINGA PREMIUM FOODS LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

Accounting policies applied are consistent, unless where new standards have been applied. New standards applied in 2023 did not result in a significant change in the financial performance but led to increased disclosures in the Company's financial statements. Future changes are not expected to bring any significant change in the financial performance or disclosures of the Company's annual financial statements.

#### 7. Employee matters

As at 31<sup>st</sup> December 2023 the Company had 12 employees, 8 male and 4 female. The various employee matters are covered below.

##### Management and Employees' Relationship

A healthy relationship exists between management and employees. There were no unresolved complaints received by Management from the employees during the year. The Company is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, or disability.

##### Medical Assistance

The Company provides medical care to all employees under its medical insurance scheme. Benevolence expenses are also covered in the employee welfare program. The medical insurance for all staff is currently provided by Assemble Insurance Tanzania Limited.

##### Workers' compensation fund (WCF)

As required by the law, the Company contributes on a monthly basis 0.5% of an employee's gross salary towards workers' compensation fund. The fund compensates employees for all work-related hazards.

##### Employees Benefit Plan

During the period, the Company contributed 20% of the employees' gross Salary (10% covered by the Company, 10% covered by employees) to the National Social Security Fund (NSSF), a Social Security Fund which is responsible for the collection, safekeeping, responsible investment, and distribution of retirement funds of all employees in all sectors of the Tanzania economy that do not fall under the governmental pension schemes.

##### Training Facilities

During the period, the Company spent TZS 1.244 million for staff trainings, seminars and team building activities to underscore its commitment to employee development and productivity improvement.

Programs have been and are continually being developed to ensure employees are adequately trained at all levels, all employees have some form of annual training to upgrade skills and enhance development.

##### Health and Safety

The Company has a strong health and safety team which ensures that a strong culture of safety always prevails. A safe working environment is ensured for all employees and operators by providing adequate and proper personal protective equipment, training, and supervision as necessary. On top of that, the 'Quality, Health, Safety and Environment' team helps to educate, monitor, train and ensure that all staff comply to safety measures and regulations.

##### Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Company continues, and appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. As at 31 December 2023, the Company had no disabled employees.

## MAPINGA PREMIUM FOODS LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### 8. Directors

The Directors who held office during the period and to the date of this report are shown below:

Director	Designation	Nationality	Appointment date
Mr. Rudolf Pieter Hoondert	Executive Director	Dutch	15 March 2023
Mr. Wilbert Basilius Kapinga	Non-Executive Director	Tanzanian	15 March 2023
Mr. Maarten Chandra Johannes Adrianus Steinfort	Executive Director	Dutch	19 October 2023

#### 9. Related party transactions and balances

Related parties include entities under common ownership, directorship and or controlled by the same group. Key management personnel are also considered as related parties because they are important to the successful operation of the organisation.

Key management personnel are Directors and any person who has authority or responsibility for running the Company's operations. Details of transactions and balances with related parties are disclosed in Note 8 to the financial statements.

#### 10. Solvency

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Directors consider the Company to be solvent within the meaning ascribed by the Companies Act, 2002 of Tanzania.

The state of affairs of the Company as at 31 December 2023 is set out on page 15 of these financial statements.

The cash flow forecast demonstrates the ability of the Company to meet both its short-term and long-term liabilities as they fall due.

#### 11. Company secretary

The Company secretary is Bowmans Tanzania Limited.

#### 12. Corporate governance

The Board of Directors of the Company (the "Board"), which is made up of three directors, takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is required to meet at least once a year for the annual general meeting, on top of that the directors meet every Wednesday to discuss various issues of the Company's activities. The Board delegates the day-to-day management of the business to the Company's senior management team. Senior management is invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units. The Company is committed to the principles of effective corporate

## MAPINGA PREMIUM FOODS LIMITED

### REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

governance. The Directors also recognize the importance of integrity, transparency, and accountability. Due to the Company's activities not being complex, the Board of Directors does not have any sub committees.

#### 12. Corporate Governance (Continued)

##### *Risk management and internal control*

The Board accepts full 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 to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations
- The safeguarding of the Company's assets
- Compliance with applicable laws and regulations
- The reliability of accounting records
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The efficiency of any internal control system is dependent upon the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Company system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The internal control systems have been designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

The Board assessed the internal control systems throughout the financial period and is of the opinion that they met accepted criteria.

#### 13. Political and charitable donations

The Company did not make any political or charitable donations during the period.

#### 14. Corporate social responsibility

During the period, the Company did not carry out any corporate social responsibility activities.

#### 15. Going Concern

The directors have assessed the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

#### 16. Independent Auditor

The registered address of the Company's auditor, Ernst & Young is detailed on Page 1 of this report. The independent auditor's registration Number is 151 and the engagement partner who oversaw the audit of the Company during the period has PF Number ACPA 3438.

Ernst & Young was appointed as the auditor for the Company for the financial period ended 31 December 2023 and has expressed willingness to continue in office and is eligible for re-appointment.

**MAPINGA PREMIUM FOODS LIMITED**

**REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

17. Date of authorisation for issue of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 24/06/ 2024,  
and were signed on its behalf by:

Signature: 

Name: Pieter Hoondert

Position: Director

Signature: 

Name: MCGA STEINFORT

Position: Director

**MAPINGA PREMIUM FOODS LIMITED**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

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


The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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


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

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

The financial statements set out on pages 14 to 30 were approved by the Board of Directors on 24/06/ 2024 and were signed on its behalf by:

  
Signature: \_\_\_\_\_  
Name: Pieter Hoondert

Position: Director

  
Signature: \_\_\_\_\_  
Name: Maja Steinfort

Position: Director

**MAPINGA PREMIUM FOODS LIMITED**

**DECLARATION BY THE PROFESSIONAL ACCOUNTANT  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

The National Board of Accountants and Auditors (NBAA) according to the power conferred to it under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, under Technical Pronouncements No.1 of 2016, requires financial statements to be accompanied with a Statement 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 to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 of Tanzania. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page.

I, Jacqueline Kyomo, being an NBAA registered accountant acting on behalf of Mapinga Premium Foods limited hereby acknowledge my responsibility of ensuring that financial statements for the ten-month period ended 31 December 2023 have been prepared in compliance with International Financial Reporting Standards and statutory requirements.

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

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Name: **Jacqueline Kyomo**

Position: Professional Accountant

NBAA Membership No: **GA 12136**

Date: 12 June 2024

## INDEPENDENT AUDITOR'S REPORT

*To the shareholders of Mapinga Premium Foods Limited*

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Mapinga Premium Foods Limited (the "Company") set out on pages 13 to 28, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the ten-month period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mapinga Premium Foods Limited as at 31 December 2023 and its financial performance and cash flows for the ten-month period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2002 of Tanzania.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Independent 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 and the IESBA Code.

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

#### Other Information

The other information comprises the general information, Report by those charged with governance, Statement of Directors' Responsibilities and the Declaration of the professional accountant. The other information does not include the financial statements and our auditor's report thereon. The Directors are responsible for the additional information.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance 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 Statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on our work, 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.

## INDEPENDENT AUDITOR'S REPORT (Continued)

*To the shareholders of Mapinga Premium Foods Limited*

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

#### 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2002 of Tanzania, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

*To the shareholders of Mapinga Premium Foods Limited*

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose 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 Directors' Report is consistent with the financial statements;
- iv. Information specified by law regarding directors' 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 account.



Signed by: Deokari S. Mkenda (ACPA 3438)

Partner

For and on behalf of Ernst & Young

Certified Public Accountants

Dar es Salaam, Tanzania

Date: 24-08 2024

**MAPINGA PREMIUM FOODS LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**


	NOTES	2023 TZS'000'
Other income	6	108,125
Administrative expenses	7	<u>(1,347,216)</u>
Loss before tax		(1,239,091)
Income tax	14	-
Loss for the period, after tax		<u>(1,239,091)</u>
Other Comprehensive Income		<u>-</u>
Total Comprehensive loss for the period, net of tax		<u><u>(1,239,091)</u></u>

**MAPINGA PREMIUM FOODS LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	NOTES	31 Dec 2023 TZS'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property and equipment	15	1,718,335
		<u>1,718,335</u>
<b>Current Assets</b>		
Cash and cash equivalents	10	1,221,141
Trade and other receivables	11	365,833
Inventory	12	9,738
		<u>1,596,712</u>
<b>Total assets</b>		<u><u>3,315,047</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	9	103,000
Share premium		4,149,384
Accumulated loss		(1,239,091)
		<u>3,013,293</u>
<b>Current liabilities</b>		
Trade and other payables	13	301,754
		<u>301,754</u>
<b>Total equity and liabilities</b>		<u><u>3,315,047</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 24/06/ 2024 and signed on its behalf by:

Signature: 

Name: Pieter Hoondert  
Position: Director

Signature: 

Name: MCGA STERNFORT  
Position: Director

**MAPINGA PREMIUM FOODS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

	Share Capital TZS'000'	Share Premium TZS'000'	Accumulated Profit/(Loss) TZS'000'	Total Equity TZS'000'
As at 15 March 2023	-	-	-	-
Issued share capital	103,000	-	-	103,000
Share premium	-	4,149,384	-	4,149,384
Total comprehensive loss for the year, net of tax	-	-	(1,239,091)	(1,239,091)
As at 31 December 2023	<u>103,000</u>	<u>4,149,384</u>	<u>(1,239,091)</u>	<u>3,013,293</u>

**MAPINGA PREMIUM FOODS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

	NOTES	2023 TZS'000
Loss before taxation		(1,239,091)
<i>Non-cash items adjustment:</i>		
Depreciation of property, plant and equipment	15	8,595
<i>Changes in working capital</i>		
Increase in trade and other receivables	11	(365,833)
Increase in trade and other payable	13	301,754
Increase in inventory	12	(9,738)
<b>Net cash used in operating activities</b>		<b>(1,304,313)</b>
<b>Cashflows from investing activities</b>		
Purchase of property and equipment	17	(1,726,930)
<b>Net cash flows used in investing activities</b>		<b>(1,726,930)</b>
<b>Cashflows from financing activities</b>		
Proceeds on issue of shares	9	103,000
Proceeds on share premium		4,149,384
<b>Net cash flows from financing activities</b>		<b>4,252,384</b>
<b>Net movement in cash and cash equivalent</b>		<b>1,221,141</b>
Cash and cash equivalents as at 15 March 2023		-
<b>Cash and cash equivalents as at 31 December 2023</b>		<b>1,221,141</b>

## MAPINGA PREMIUM FOODS LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### 1. GENERAL INFORMATION

Mapinga Premium Foods Limited (the "Company") is a limited liability company incorporated in the united republic of Tanzania under the Companies Act, 2002 of Tanzania. The addresses of its registered office and principal place of business are disclosed in the corporate information page. The principal activities of the Company are described in the report of those in charge with governance.

#### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

##### a) New standards and amendments to published standards effective for the year ended 31 December 2023

The following new and revised IFRSs effective for annual period beginning on or after 01 January 2023 have been applied in the current year and had no material impact on the amounts reported in these financial statements:

- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- IFRS 17 Insurance Contracts
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- Definition of Accounting Estimates - Amendments to IAS 8

##### b) New standards and amendments and interpretation in issue but not effective for the year ended 31 December 2023

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

	Effective for annual periods beginning or after:
Amendment to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	1 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of exchangeability – Amendments to IAS 21	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Postponed indefinitely

The Company did not early-adopt any new or amended standards in the year ended 31 December 2023.

## MAPINGA PREMIUM FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### 3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

##### a. Basis of preparation

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these financial statements; and in the manner required by the Companies Act, 2002 of Tanzania.

The financial statements have been prepared on the historic cost convention except where otherwise stated in the accounting policies set out below. The financial statements are presented in Tanzanian Shillings, which is the Company's functional and presentation currency.

##### b. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### c. Share capital

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as share premium in equity.

##### d. Property, plant and equipment

All property, plant and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Leasehold land, buildings and plant and machinery are subsequently measured at fair value, based on periodic valuations, less subsequent depreciation.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and credited to revaluation reserve in equity except to the extent that the increase reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income. All other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

## MAPINGA PREMIUM FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

Depreciation on all other assets is calculated on the straight-line basis method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

- Buildings	5%
- Machinery and equipment	10%
- Vehicles	14%
- Furniture and fixtures	14%
- ICT equipment	20%

#### e. Financial instruments

##### Financial assets

##### Initial recognition and measurement

The Company's financial assets include cash, trade and other receivables.

Trade receivables are initially recognised when they originate. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

##### Subsequent measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a fair value through profit and loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- And its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The classification of a financial asset is made at the time it is initially recognised, namely when the entity becomes a party to the contractual provisions of the instrument. If certain conditions are met, the classification of an asset may subsequently need to be reclassified.

##### De-recognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

##### Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of the write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off.

## MAPINGA PREMIUM FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### f. Inventory

Inventories are measured at the lower of cost and net realisable value. Cost is determined on an Average Cost basis and includes all expenditure incurred in the normal course of business in bringing the goods to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow-moving and defective inventories.

#### g. Cash and cash equivalent

For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand and in bank, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

#### h. Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or equity. However, during the year there is no tax expense due to the losses.

##### Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

##### Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

##### Value Added tax (VAT)

Expenses and assets are recognised net of the amount of VAT except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## MAPINGA PREMIUM FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### Current versus non-current classification

The Company presents assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within 12 months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within 12 months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

During the period, there were no significant judgements, estimates and assumptions made.

#### 5. FINANCIAL RISK MANAGEMENT

##### a) Credit Risk

Credit risk arises from cash and cash equivalents and trade and other receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by management. The utilization of credit limits is regularly monitored.

**MAPINGA PREMIUM FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

TZS'000	12 Month or Lifetime ECL	Internal Credit rating	Gross Carrying Amount	Loss Allowa nce	Net Carrying Amount
<b>Financial Assets 31 Dec 2023</b>					
Trade and other receivables	12 Months	Performi ng	220,719	-	220,719
Cash and bank balances	12 Months	Performi ng	1,221,141	-	1,221,141
<b>Total Credit exposure</b>			1,441,860	-	1,441,860

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from financial liabilities. The finance department is tasked with the responsibility of ensuring that all foreseeable funding commitments and deposits withdrawals can be met when due, and that the Company will not encounter difficulty in meeting obligations from its financial liabilities as they occur.

The Board of Directors relies substantially on the Company's finance department to coordinate and ensure discipline across the company and business units, certify sufficient liquidity under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The finance department monitors its liquidity risk using the current assets ratio.

*Maturity analysis for financial assets and liabilities as at 31 December 2023 showing the remaining contractual maturities:*

	< 1 Month TZS'000	1-5 Mont hs TZS'00 0	5-12 Months TZS'000	> 1 Year TZS'000	Total TZS'000
<b>Financial assets 2023</b>					
Trade and other receivables	220,719	-	-	-	220,719
Cash and bank balances	1,221,141	-	-	-	1,221,141
	1,441,860	-	-	-	1,441,860
<b>Financial liabilities 2023</b>					
Trade and other payables	(301,754)	-	-	-	(301,754)
<b>Net liquidity gap</b>	<u>1,140,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,140,106</u>

c) Market Risk



**MAPINGA PREMIUM FOODS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

## 6. OTHER INCOME

	2023
	TZS'000'
Foreign exchange gains	108,125
	<u>108,125</u>

## 7. ADMINISTRATIVE EXPENSES

	2023
	TZS'000'
Salaries	356,871
National Social security charges (NSSF)	105,710
Workers Compensation Fund (WCF)	2,735
Skills and Development levy (SDL)	8,240
Pay As You Earn (PAYE)	144,203
Insurance - Health	11,247
Recruiting costs	19,502
Training costs	500
Meals and drinks	10,530
Entertainment expenses	2,160
Dues/fees/subscriptions	17,243
Meetings & seminars	744
Uniforms & laundry service	1,665
Marketing Costs	116,487
Energy and water	6,631
Audit fees	16,310
Advisory costs	136,093
Licensing and registration	28,275
Operating supplies	10,861
Ingredients and materials testing	5,158
Quality control costs	1,703
Subscriptions	441
Cleaning expenses	16,584
Safety, health and environment costs	55,164
Rent - Land & buildings	102,285
Repair and maintenance	33,650
Traveling and transport	79,414
ICT costs	13,243
Insurance	3,386
VAT Expense	23,660
Other Costs	4
Depreciation charge	8,595
Bank and finance charges	7,839
Fines and penalties	65
Other taxes	18
	<u>1,347,216</u>

## MAPINGA PREMIUM FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023

#### 8. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making either financial or operational decisions. The Company is related with its ultimate holding company, Mapinga Premium Foods B.V., a company incorporated in the Netherlands. For the year ended 31 December 2023, the related party transactions are as follows:

	2023
	TZS'000'
Share capital contribution	103,000
Share premium contribution	4,149,384
	<u>4,252,384</u>

The issued Share capital and Share premium were all fully paid at the end of the period being reported.

#### 9. SHARE CAPITAL

##### Shareholders

	Number of ordinary shares	Ordinary Shares TZS '000'	% of Ownership
31 December 2023			
Mapinga Premium Foods B.V.	102,999	102,999	99.999
7HILLS Holding B.V.	1	1	0.001
Total	<u>103,000</u>	<u>103,000</u>	<u>100</u>

The nominal value per share amounts to TZS 1,000 each.

#### 10. CASH AND CASH EQUIVALENTS

	2023
	TZS'000'
Bank balance - TZS	94,330
Bank balance - EUR	341,260
Bank balance - USD	785,551
	<u>1,221,141</u>

#### 11. TRADE AND OTHER RECEIVABLES

	2023
	TZS'000'
Prepaid expenses	43,169
Advances to suppliers	177,550
VAT recoverable	145,114
	<u>365,833</u>

**MAPINGA PREMIUM FOODS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

## 12. INVENTORY

	2023
	TZS'000'
Potatoes	626
Oil	4,778
Packaging materials	<u>4,334</u>
	<u>9,738</u>

## 13. TRADE AND OTHER PAYABLES

	2023
	TZS'000'
Withholding tax payable	5,741
Pay As You Earn (PAYE) payable	43,531
Pension payable	33,741
Other tax payables	5,905
Trade payables	77,476
Accrued expenses	37,028
Other payables	<u>98,332</u>
	<u>301,754</u>

## 14. TAXATION

No Corporate Income Tax is due given that the Company has been established recently and is currently in a loss making position.

## a) Income tax charge

A reconciliation between tax expense and the product of accounting loss multiplied by the tax rate for the year ended 31 December 2023 is as follows:

	2023
	TZS'000'
Accounting loss before tax	(1,239,091)
At a statutory income tax rate of 30%	(371,727)
<i>Reconciling items:</i>	
Non-deductible expenses	2,250
Depreciation on non-qualifying assets	1,020
Deferred tax credit not recognised	<u>368,457</u>
Income tax charge	<u>-</u>

**MAPINGA PREMIUM FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

14. TAXATION (Continued)

b) Deferred tax asset

Movement in the deferred tax asset was as follows:

At the beginning of the period	-
Deferred tax credit for the period	368,457
As at 31 December 2023	<u>368,457</u>
Deferred tax asset not recognized	<u>(368,457)</u>
As at 31 December 2023	<u>-</u>

The deferred tax asset computed at the rate of 30% is attributable to the following items:

Items of property and equipment	8,500
Tax losses	<u>(376,957)</u>
Deferred tax asset	<u>(368,457)</u>

The Company has a deferred tax asset of TZS 368 million. The deferred tax asset is as a result of the tax losses carried forward and other temporary differences. The deferred tax asset has not been recognized during the period because in the opinion of the management, the Company is in a tax loss position, and it is a newly established entity therefore it is not probable that sufficient future taxable profit will be available to allow the deferred tax asset to be utilized.

15. PROPERTY AND EQUIPMENTS

	Furniture and fixtures	ICT equipment	Machinery & equipment	Vehicles	Work in Progress	Goods in transit	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
As at 15 March 2023	-	-	-	-			-
Additions	25,790	22,684	15,348	126,205	1,408,087	128,816	1,726,930
As at 31st Dec 2023	25,790	22,684	15,348	126,205	1,408,087	128,816	1,726,930
Accumulated depreciation							
As at 15 March 2023	-	-	-	-			
Depreciation charge	(823)	(1,056)	(229)	(6,487)			(8,595)
As at 31st Dec 2023	(823)	(1,056)	(229)	(6,487)			(8,595)
Net Book Value as at 31st Dec 2023	24,967	21,628	15,119	119,718	1,408,087	128,816	1,718,335

**MAPINGA PREMIUM FOODS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE TEN-MONTH PERIOD ENDED 31 DECEMBER 2023**

16. GOING CONCERN

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

17. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period which require adjustment to or disclosure in the financial statements.

18. CURRENCY

The financial statements are presented in Tanzania shillings (TZS) and rounded to the nearest thousand (TZS' 000). This is also the Company's functional currency.

*Foreign currency translation*

Transactions during the period which are denominated in foreign currencies are translated into Tanzania Shillings at the rates ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period, which are denominated in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Exchange differences resulting from the translations are dealt with in the profit or loss in the year that they arise.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board on the date indicated on the statement of financial position. The financial statements are subject to approval by the members in the Annual General Meeting.

20. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2023.