

FARM ACCESS LIMITED

**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER, 2024**

EM FINANCIAL CONSULTANCY
Certified Accountants & Authorized Auditors
P.O. Box 10791
ARUSHA
TANZANIA

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

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FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

1. ENTITY INFORMATION

**Registered office and principal
place of business:**

Farm Access Limited
P.O. Box 15780
Arusha - Tanzania
E-mail: farmaccessltd@gmail.com

Bankers:

NMB Limited
Hakika bank
CRDB
DTB
Equity
TADB

Company Secretary:

Kester Lyaruu
Farm Access Limited
P.O. Box 15780
Arusha -Tanzania

Auditors:

EM FINANCIAL CONSULTANCY
Sokoine Road – Acu Building
3rd floor, room nos. 307 & 308
P.O. Box 10791
Arusha –Tanzania
Email: emauditors2021@yahoo.com

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

2.0 REPORT OF THE COMPANY MANAGEMENT

2.1 Introduction

The Directors submit their report together with the audited financial statements for the year ended 31st December, 2024 which disclose the state of affairs of Farm Access Limited ("The Company").

2.2 Incorporation

Farm Access Limited was established in Tanzania with certificate of incorporation number 97773 dated 13th March, 2013. The Company has its head office in Arusha

2.3 Principal Activities of the Company

The Company's principal was based in importing and selling veterinary input. During the year 2024 the company changes its activities and base mainly on Manufacture of Veterinary Products.

2.4 Operating and Financial Review

The Directors submit their report together with the audited financial statements for the year ended 31st December, 2024 which disclose the state of affairs of Farm Access Company ("The Company"). During the period the Company made a profit of TZS 41,443,725/= with a Revenue of TZS 1,358,764,306/= Directors will decide on declaring dividend.

2.5 Solvency

The Directors consider the Company's solvency position as shown on page 10 of the financial statements.

2.6 Directors

The Directors of the Company who held office during the year and to the date of this report except where otherwise stated are:

<u>Name</u>	<u>Position</u>	<u>Nationality</u>
M/s Hosea Ignatio Ngowi	-Director	Tanzania
Mr Dan Kay Ngowi	-Director	Tanzanian

FARM ACCESS LIMITED

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2.7 Corporate Governance

2.8.1 Board meetings

During the year ended 31st December 2024, the Board held one (1) meeting and conferred repeatedly by email and Skype. All members of the Board were committed to attend the Board meetings, except where it was not possible to do so.

2.8.2 Risk Management and Internal Controls

The Company accepts final responsibility for risk management and internal control system of the Company. The management ensures that adequate financial and operational controls systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following:

- Safeguarding of Company funds.
- Effectiveness and efficiency of operations.
- Compliance with applicable laws and regulations.
- Reliability of accounting records and financial information.
- Sustainability of the Company's operations under normal and adverse conditions; and,
- Responsive behavior towards stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff.

2.8.3 Related Party Transactions

All related party transactions and balances are disclosed to these financial statements.

2.8.4 Gender Parity

The Company is an equal opportunity employer, as it has no discriminatory policies or practices.

2.8.5 Political Donations

The Company did not make any political donations during the year.

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

2.9 Employee Welfare

The Company has the following employees' welfare arrangements:

2.9.1 Training

The Company offers sponsorship to its employees in short term courses within the country on various disciplines depending on the corporate needs and financial resources available. The Company supports also employees' own initiatives for both short and long term training .

2.9.2 Medical Facilities

The Company provides medical allowance to cover ordinary cases of illness for employees and their immediate family dependents.

2.9.3 Persons with Disabilities

The Company gives equal opportunities to disabled persons for vacancies they are able to fill.

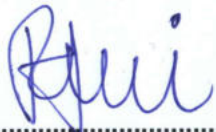
2.9.4 Health and Safety

The Company ensures that the working environment is clean at all times. Fire extinguishers have also been installed in office building to ensure that unexpected fire incidences are contained.

2.9.5 Auditors

Auditors, **EM Financial Consultancy** express their willingness to continue in office and are eligible for reappointment . A resolution proposing the reappointment of EM Financial Consultancy as auditors of the Company for year 2025 will be put to the Annual General Meeting.

By the order of the Board



.....
Mr Hosea Ignatio Ngowi
MANAGING DIRECTOR

Date: 06/15/2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act number 12 of 2002, Cap 212 of the laws of Tanzania requires the directors to prepare financial statements for each financial year, that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records, that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

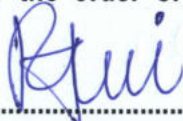
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act Cap 212. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit in accordance with International Financial Reporting Standards.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement. To enable the Directors to meet these responsibilities they set 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 systems 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 risks across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimize it by ensuring the appropriate infrastructure, controls systems and ethical behaviour are applied and 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.

Nothing has come to the attention of the Directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By the order of the Board



.....
Mr. Hosea Ignatio Ngowi
Managing Director

Date: 6/5/2025

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Farm Access Limited

Report on the Audit of Financial Statements

Opinion

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 cash flows for the year then ended in accordance with the International Financial Reporting Standards and requirements of the Companies Act 2019 (Revised) of Tanzania.

What we have audited

We have audited the accompanying financial statements of Farm Access Limited ("the Company" which comprise;

- i. Statement of Financial Performance for the year then ended;
- ii. Statement of Financial Position as at 31st December 2024;
- iii. Statement of Cash Flows for the year then ended;
- iv. Statement of Changes in Equity for the year then ended; and
- v. The notes to the financial statements, which include summary of significant Accounting policies and other explanatory information

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriated to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Boards for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements of the NBAA

Other Information

The directors are responsible for the other information, which comprises the report by those charged with Governance, Statement of directors' responsibility, and Declaration of the Head of Finance. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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 of our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 of the Financial Statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2002 and for such Internal controls as Directors determine are 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 decision of users taken on the basis of these Financial Statements.

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, No.12 of 2019 (Revised) of Tanzania and for no other purposes.

As required by the Companies Act, No.12 of 2019 (Revised) we are also required to report to you if, in our opinion, the Report by those charged with governance is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.

The engagement partner on the audit resulting in this independent auditor's report is
Elia . G. Makata


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Signed by CPA Elia . G. Makata, ACPA – PP 2492
EM Financial Consultancy,
Arusha – Tanzania

Date: 20.6.2025
.....



M/S FARM ACCESS LIMITED

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME THE YEAR ENDED 31ST DECEMBER, 2024

<u>REVENUE</u>	<u>NOTE</u>	<u>2024</u> <u>T.SHS.</u>	<u>2023</u> <u>T.SHS.</u>
Income		1,358,764,306	1,427,468,810
Less: Cost of sales	4.0	772,488,409	764,793,448
Gross profit		<u>586,275,897</u>	<u>662,675,363</u>
 <u>Less: Operating Expenses</u>			
Personel expenses	7.0	155,046,213	269,416,253
Motor vehicles expenses	8.0	46,065,500	15,682,400
Administration exp	9.0	153,962,648	141,137,264
Bank charges and interest	10.0	101,179,791	90,046,789
Business promotion	11.0	3,412,200	4,721,660
Depreciation	2.0	85,165,820	97,876,932
Total expenses		<u>544,832,172</u>	<u>618,881,298</u>
Net profit for the year		<u>41,443,725</u>	<u>43,794,065</u>

NOTES 1 TO 19 FORM PARTS OF THESE FINANCIAL STATEMENTS. AUDITORS REPORT PAGE 8-9

.....
MANAGING DIRECTOR

.....
DIRECTOR

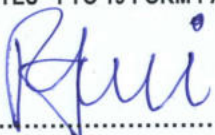
DATE: *6/5/2025*

M/S FARM ACCESS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2024

<u>ASSETS</u>		31. 12. 2024	31. 12. 2023
<u>Non-Current Assets</u>	<u>NOTE</u>	<u>T.SHS.</u>	<u>T.SHS.</u>
Property, Plant & Equipment	2.0	<u>1,838,808,454</u>	<u>1,923,974,274</u>
 CURRENT ASSETS			
Cash and bank balances	15.0	25,911,812	8,199,961
Inventories	6.0	663,859,758	788,268,726
Trade receivables	13.0	189,429,428	423,082,231
Advance paid	12.0	-	94,617,600
Total Current Assets		<u>879,200,998</u>	<u>1,314,168,518</u>
TOTAL ASSETS		<u>2,718,009,452</u>	<u>3,238,142,792</u>
 EQUITY AND LIABILITIES			
<u>Equity</u>			
Share capital	18.0	1,300,000,000	1,300,000,000
Retained earnings balance	17.0	(120,756,595)	(148,200,320)
Total Equity		<u>1,179,243,405</u>	<u>1,151,799,680</u>
 <u>Current Liabilities</u>			
Bank loan		479,459,270	1,106,718,562
Trade and other payables	14.0	1,008,841,084	926,158,857
Tax liabilities		50,465,693	53,465,693
Total Current Liabilities		<u>1,538,766,047</u>	<u>2,086,343,112</u>
TOTAL EQUITY AND LIABILITIES		<u>2,718,009,452</u>	<u>3,238,142,792</u>

NOTES 1 TO 19 FORM PARTS OF THESE FINANCIAL STATEMENTS. AUDITORS REPORT PAGE 8-9


.....
MANAGING DIRECTOR

.....
DIRECTOR

DATE: 6/5/2025

M/S FARM ACCESS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2024

	2024	2023
	T.SHS.	T.SHS.
<u>CASHFLOWS FROM OPERATING ACTIVITIES</u>		
Profit/(deficit) before taxation	41,443,725	43,794,065
Adjustment for items not involving movement of funds:-		
* Depreciation	85,165,820	97,876,932
Adjustment on depreciation		
Cashflows from operations before changes in levels of working capital items	<u>126,609,545</u>	<u>141,670,997</u>
<u>Changes in level of working capital items</u>		
(increase)/ decrease in trade recevables	233,652,803	69,915,885
(Increase)/ decrease in stocks	124,408,968	81,418,244
(increase)/ decrease in trade payable	82,682,227	(383,711,646)
(increase)/ decrease in tax liabilities	(3,000,000)	-
(increase)/ decrease in advance payment	94,617,600	(94,617,600)
Net changes in levels of working capital items	532,361,598	(326,995,117)
Cashflows generated from operations	658,971,143	(185,324,121)
Provision for taxation	(14,000,000)	(11,657,088)
Cashflows from operating activities (A)	<u>644,971,143</u>	<u>(196,981,209)</u>
<u>Cash flows from financing activities</u>		
Increase of contribution capital	-	-
Increase in Bank loan (B)	<u>(627,259,292)</u>	<u>87,533,160</u>
<u>Cash flows from investing activities</u>		
Acquisition of fixed assets (C)	-	-
NET CASHFLOWS FOR THE YEAR (A+B+C)	<u>17,711,851</u>	<u>(109,448,049)</u>
Cash & Cash Equivalents at the beginning of the year	<u>8,199,961</u>	<u>117,648,008</u>
Cash & Cash Equivalents at the end of the year	<u>25,911,812</u>	<u>8,199,960</u>

NOTES 1 TO 19 FORM PARTS OF THESE FINANCIAL STATEMENTS. AUDITORS REPORT PAGE 8-9


.....
MANAGING DIRECTOR

.....
DIRECTOR

DATE: 6/5/2025

M/S FARM ACCESS LIMITED

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

PARTICULARS	Share Capital T.Shs.	Retained earnings T.Shs.	Total as at 31.12.2024 T.Shs	Total as at 31.12.2023 T.Shs
Balance as at 01. 01. 2024 - b/f	800,000,000	(148,200,320)	651,799,680	619,662,703
Additional capital	500,000,000		500,000,000	500,000,000
Profit/ (loss) for the year	-	41,443,725	41,443,725	43,794,065
Provision for taxation	-	(14,000,000)	(14,000,000)	(11,657,088)
Balance as at 31. 12. 2024 c/f	1,300,000,000	(120,756,595)	1,179,243,405	1,151,799,680

NOTES 1 TO 19 FORM PARTS OF THESE FINANCIAL STATEMENTS. AUDITORS REPORT PAGE 8-9



.....
MANAGING DIRECTOR

.....
DIRECTOR

DATE: 6/5/2025

FARM ACCESS LIMITED

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1.0 SIGNIFICANT ACCOUNTING POLICIES

1.1 General Information

Farm Access Limited is registered in Tanzania as a Company with Certificate of Incorporation number 97773

The registered office of the company is in Arusha

P.O. Box 15780

Arusha -Tanzania

1.2 Summary of Significant Accounting Policies

The principal accounting policies, adopted in the preparation of these Financial Statements, are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1.3 Basis of preparation

The financial statements of Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost basis except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS), rounded to the nearest thousand.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in these financial statements.

1.4 Changes in accounting policy and disclosures

1.4.1 New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the year beginning on or after 1st January 2017, that would be expected to have a material impact on the Company.

IFRS 13, 'Fair value measurement; aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

1.4.2 New Standards and Interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1st January, 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company:

IFRS 9, 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November, 2009 and October, 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instrument and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 10, Consolidated financial statements; builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1st January, 2017

1.4.3 Revenue recognition

Revenue comprises the fair value of the consideration received and receivable for the sale of goods and services in the ordinary course of the company's activities. Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

1.4.4 Foreign currency translation

1.4.1 *Functional and presentation currency*

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates (The Functional currency'). The financial statements are presented in Tanzania shillings (Tshs) which is the Company's functional and presentation currency, rounded to the nearest thousand.

1.4.2 Transactions and balances

Transactions in foreign currencies during the year are converted into Tanzania shillings at rates prevailing at the transaction dates. Monetary items denominated in foreign currency are translated using the closing exchange rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the date of initial recognition. Foreign exchange gains and losses resulting from the settlement of such translations and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of changes in net assets available for benefits.

1.4.4.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call - with banks.

1.4.4.4 Inventory

Inventory includes stocks and stores which are stated at the lower of cost and net realizable value. Cost is determined on a "First in" First out" basis (FIFO). Any obsolete items are provided for in full in the year they are detected.

1.4.4.5 Current and deferred income tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the balance sheet date.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

1.4.4.6 Property and equipment

Property and equipment are initially recorded at cost, which are those costs directly attributable to bring them to the location and condition necessary for them to be capable of operating in the manner intended by management. Subsequently, Property and Equipment are reported at cost or fair value less accumulated depreciation. Costs are included in the assets carrying amounts only when it is probable that the future economic benefit associated with the item can be measured reliably. Repairs and maintenance costs for property equipment are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The carrying amount of an item of property and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognising of an item of property, plant and equipment are included in the statement of profit or loss and other comprehensive income when the item is derecognised unless IFRS requires otherwise on a sale and leaseback. Gains shall not be classified as revenue.

Depreciation is calculated using the declining- balance method to write down their cost to their residual values over their estimated useful lives, as follow:

Asset description	Depreciation rate %
Buildings	5.0%
Office equipment	12.5
Furniture and fittings	12.5
Motor vehicles	25.0

Property and equipment are periodically reviewed for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/ gains- net" in the statement of profit or loss and other comprehensive income.

1.4.4.7 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight- line basis over the period of the lease. The Company leases property under operating lease.

1.4.4.8 Employee benefits

Retirement benefit obligations

The Company contributes to the publicly administered pension plans on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expenses when they are due. The Company's contributions to the defined contribution schemes are charged to the statement of profit or loss and other comprehensive income in the year in which they fall due.

The Company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

1.4.4.9 Other entitlements

The estimated monetary liability for employees accrued leave entitlement as at the statement of net assets available for benefits' date is recognised as an expense accrual. Provision is made for the estimated liability in respect of annual leave accrued on reporting date.

1.4.4.10 Financial assets

Trade and other receivables

Trade and other receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Hire purchase receivable, all other receivables and deposits with financial institutions and cash and cash equivalents in the balance sheet fall in this category.

Purchases and sales of financial assets are recognised on trade date the date on which the Company commits to purchase or sell the asset. Trade and other receivables are recognised on the day the funds are advanced or when an invoice is raised.

Trade and other receivables are initially recognized at fair value which is the cash consideration and subsequently measured at amortized cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has subsequently transferred all risks and rewards of ownership. Gains and losses arising from changes in fair value in respect of available – for - sale investments are included in the statement of changes in net assets available for benefits for the year.

1.4.4.11 Impairment of financial assets

Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such a changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of changes in net assets available for benefits. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

1.4.4.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.5 Financial Risk Management

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, interest rates, and market price of equities. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, but the Company does not hedge any risks.

Risk Management is carried out by management under the supervision of the Board of Directors.

The General Manager is responsible for monitoring compliance with the Company's risk management policies and procedures, and review of the adequacy of risk management framework in relation to the risks faced by the Company.

The notes below provide detailed information on each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

1.5.1 Credit Risk

Credit risk is the risk that the counterparty to any financial transaction may not be able to fulfil its obligation on due date. The Company's principal financial assets are trade debtors and bank balances. Outstanding invoices against customers do not pose a material credit risk because the Company only commits payments towards services for the customers once their moneys are received. The Company does not have any significant concentration of credit risk.

1.5.2. Liquidity Risk

Liquidity risk is the risk of failing to meet obligations when they fall due. The consequences may be the failure to meet obligations to pay benefit expenses to the members. The Company is exposed to daily administrative expenses. The Company manages liquidity risk by maintaining a sum of cash at hand and sufficient balance in its bank account

Main sources of funds include revenues from safaris and car hires. In addition, the Company may call upon one of its directors when additional funds are needed.

1.5.3 Market risk

Market risk is the risk of changes in value of net assets of the Company as a result of adverse price movement for investments held by the Company. The Company is not materially exposed to market risk because it does not hold significant investments and, most of all it derives its from its on – going services.

1.5.3.1 Interest Risk

The Company does not invest in long term financial instruments.

1.5.3.2 Foreign Exchange Risk

The foreign exchange risk (or currency risk) is the risk arising from changes in the value of foreign currencies. However, the Company has no significant foreign currency transactions other than purchase of goods and services.

1.5.3.3 Price Risk

1.5.3.1 Fair value of financial assets and liabilities

Deposits with financial institutions

The estimated fair value of deposits with no stated maturity, which includes non-interest – bearing deposits, is the amount receivable on demand.

The fair values of deposits with financial institutions approximate their carrying values at the balance sheet date.

Trade and other receivables

The fair value of term loans is the present value of the estimated future cash flows. The estimated amounts to be recovered are discounted at the effective interest rate after taking into account the timing of recovery. The amounts to be recovered are established using the historical data or agreed repayment plans.

1.6 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.6.1 Impairment of financial instruments

The company follows the guidance of IAS 39 to determine when a financial assets is impaired. This determination requires significant judgments. In making this judgment, the company evaluates, among other factors, the duration and the extent to which the fair value of an investment is less than its cost, industry and sector performance, changes in technology as well as operational and financing cash flow.

1.6.2 Property and equipment

Critical estimates are made by the company in determining depreciation rates for motor Vehicles and equipment and their residual values. The rates applied are set out in Note

FARM ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

NOTE 2.0: NON CURRENT ASSETS

Property, plant and equipment

PARTICULARS	Computer and TV T.Shs.	Tools and equipment T.Shs.	Furniture & fittings T.Shs.	Land Tshs	Motor vehicles T.Shs.	Buildings Tshs	WIP TSHS	Machines T.Shs.	Total as at 31. 12. 2024 T.Shs.	Total as at 31. 12. 2023 T.Shs.
Cost as at 01. 01. 2024	6,320,000	39,595,852	73,944,256	430,000,000	171,249,167	646,955,744	499,000,000	548,533,537	2,415,598,556	2,415,598,556
Additions/(deletions)	-	-	-	-	-	-	-	-	-	-
Cost as at 31. 12. 2024 (A)	6,320,000	39,595,852	73,944,256	430,000,000	171,249,167	646,955,744	499,000,000	548,533,537	2,415,598,556	2,415,598,556
Depreciation as at 1. 2. 2024 (B)	5,355,644	8,421,079	30,599,490	-	117,064,861	103,189,959	-	226,993,249	491,624,282	393,747,350
Charge for the year	361,634	3,896,847	5,418,096	-	13,546,077	21,750,631	-	40,192,536	85,165,820	97,876,932
Depreciation as at 31. 12. 2024 (B)	5,717,278	12,317,926	36,017,586	-	130,610,938	124,940,590	-	267,185,785	576,790,102	491,624,282
NBV AS AT 31. 12. 2024 (A - B)	602,723	27,277,926	37,926,670	430,000,000	40,638,229	522,015,154	499,000,000	281,347,752	1,838,808,454	1,923,974,274
NBV AS AT 31. 12. 2023	964,356	31,174,773	43,344,766	430,000,000	54,184,307	543,765,785	499,000,000	321,540,288	1,923,974,275	

M/S FARM ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

NOTE 3.0: WEAR AND TEAR SCHEDULE

PARTICULARS	Class I T.Shs.	Class II T.Shs.	Class III T.Shs.	Class V T.Shs.	Total as at 31.12.2024 T.Shs.	Total as at 31.12.2023 T.Shs.
Cost as at 01.1.2024	958,198	54,184,307	393,043,719	532,496,334	980,682,558	1,083,496,595
Additions/(disposals)	-	-	-	-	-	-
Chargeable value	958,198	54,184,307	393,043,719	532,496,334	980,682,558	1,083,496,595
Charge for the year	360,282	13,546,077	49,130,465	26,624,817	89,661,641	102,814,037
WDV balance - c/f	597,916	40,638,230	343,913,254	505,871,517	891,020,917	980,682,558

M/S FARM ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024	2023
	T.Shs	T.Shs
NOTE 4.0: <u>COST OF SALES</u>		
Opening stock	375,910,852	467,138,101
Add: Production cost from manufacturing	390,707,346	673,566,199
Purchases of finished goods	204,452,897	-
Goods available for sales	971,071,095	1,140,704,300
Less: Closing stocks	198,582,686	375,910,852
Total	772,488,409	764,793,448
NOTE 5.0: <u>MANUFACTURING COST</u>		
Opening stocks raw materials	457,357,874	402,548,869
Add Purchases raw material-imported	41,264,419	337,186,654
Add Purchases raw material-Local	278,831,510	79,658,142
Raw material available for production	777,453,803	819,393,665
Less; Closing Raw material	465,277,072	457,357,874
Raw material used for production	312,176,731	362,035,791
Add; Direct labour cost	45,709,000	263,759,975
Direct expenses	32,821,615	47,770,433
Cost of production	390,707,346	673,566,199
NOTE 6.0 <u>CLOSING STOCKS</u>		
Raw materials	465,277,072	412,357,874
Finished goods	198,582,686	375,910,852
Total	663,859,758	788,268,726
NOTE 7.0: <u>PERSONEL EXPENSES</u>		
Salaries and wages	83,107,609	215,803,616
SDL	2,222,280	7,864,099
NSSF	59,190,559	23,311,553
WCF	1,479,765	10,325,637
Staff Meal	9,046,000	12,111,348
Medical exp	-	-
Total	155,046,213	269,416,253
NOTE 8.0: <u>MOTOR VEHICLE EXP</u>		
Fuel & Lubricant	37,199,600	3,000,000
Repair & maintenance	7,607,900	10,686,400
Insurance and Licence	1,180,000	1,996,000
Parking fees & trackers	78,000	-
Total	46,065,500	15,682,400

M/S FARM ACCESS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	2024	2023
	T.Shs	T.Shs
NOTE 9.0: ADMINISTRATION EXP.		
Travelling and accomodations	13,290,000	12,970,500
Licence and permits	10,469,642	5,767,000
Tellephone, Postage & internet	11,800,000	12,078,200
Water and electricity	23,521,623	16,987,297
Transportation	35,181,500	13,234,917
Factory supplies	5,098,200	9,539,263
EFD Machine	700,000	-
Export Permit	-	490,000
Motor Vehicle Insurance & latra	1,250,000	1,364,000
Land rent	-	3,235,350
Rent	3,465,000	6,150,000
Legal fees	1,125,000	32,982,000
Professional fees	5,500,000	6,170,000
Repair & maintanance Plant	7,300,000	5,790,500
Uniform	12,000,000	-
Loading and offloading	300,000	210,000
Lab test	-	418,747
Printing & Stationary	11,233,800	2,725,000
Audit fees	3,000,000	3,000,000
Seminars & Training	-	1,500,000
Condolence	120,000	500,000
Generator fuels	3,560,000	2,575,000
Community Development	200,000	100,000
Traffic fine	2,062,983	512,000
Offise supply	1,254,900	1,337,490
Fire and rescue	1,530,000	1,500,000
Total	153,962,648	141,137,264
NOTE 10.0: INTEREST AND BANK CHARGES		
Bank interest	76,593,411	73,617,626
Bank charges	24,586,380	16,429,163
Total	101,179,791	90,046,789
NOTE 11.0: BUSINESS PROMOTION		
Product sample	399,700	571,860
Marketing expenses	3,012,500	4,149,800
Total	3,412,200	4,721,660
NOTE 12.0: ADVANCE PAYMENTS		
Payment to suppliers	-	94,617,600
Purchase received	-	-
Prepayments	-	94,617,600

M/S FARM ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024	2023
	T.Shs	T.Shs
NOTE 13.0: <u>TRADE AND OTHER RECEIVABLES</u>		
Davide Mmbando	2,851,600	23,717,290
Ester	8,993,050	8,993,050
Freddy	11,851,300	82,704,575
Hosea	32,645,800	40,032,779
IntraseM Vet	11,700,000	38,328,000
Joyce	5,990,000	3,974,338
Machuma Mtwara	6,260,000	5,060,000
Mwanjelwa Agrovat	400,000	-
Shagembe Agrovat	3,389,000	4,532,200
Mika W. Maiko	8,744,828	46,065,500
Upendo	96,603,850	169,674,499
Total	189,429,428	423,082,231
NOTE 14.0: <u>TRADE PAYABLES</u>		
Raw materials	142,661,119	-
Yiwu Pamir	154,576,149	107,234,502
Leaflife	271,250,000	375,438,952
Phama Chemicals	104,663,418	128,663,418
Patent Co. (Mycotoxin)	100,291,100	100,291,100
Six M/v bought by Directors	100,000,000	100,000,000
Brainnoak Technologies Mail Services	-	-
Klean Colours (William)	945,000	4,250,000
Mnama (Mchanga)	40,277,072	-
Kester Advocate	13,982,000	32,982,000
WCF	4,444,850	2,965,085
NSSF	75,750,376	74,333,800
TOTAL	1,008,841,084	926,158,857
NOTE 15.0: <u>CASH AND CASH EQUIVALENT</u>		
Cash in hand	-	1,415.00
Bank balance	25,911,812	8,198,546
Total	25,911,812	8,199,961
NOTE. 16.0 <u>TAX COMPUTATION</u>		
Profit / (loss) as per accounts	41,443,725	43,794,065
Add back:		
Depreciation - (note 2.0)	85,165,820	97,876,932
Fine & penalty	2,062,983	-
Sub total	128,672,528	141,670,997
Less: Wear and tear (note 3.0)	89,661,641	102,814,037
Adjusted taxable profit/(Loss)	39,010,887	38,856,960
Tax thereon at corporate rate	11,703,266	11,657,088
Less: Tax paid in advance	14,000,000	12,000,000
Withholding tax	-	-
Tax balance	(2,296,734)	(342,912)

M/S FARM ACCESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024	2023
	<u>T.Shs</u>	<u>T.Shs</u>
NOTE 17.0 STATEMENTS OF RETAINED EARNINGS		
Balance brought forward	(148,200,320)	(203,651,472)
Profit (loss) for the year	41,443,725	43,794,064
Taxation	14,000,000	11,657,088
Less Previous years tax paid	-	-
Accumulated profit c/f	<u>(120,756,595)</u>	<u>(148,200,320)</u>

NOTE 18.0 SHARE CAPITAL

Authorized shares

50,000 Ordinary shares of T.shs. 40,000/= each	<u>2b</u>	<u>2b</u>
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Issued and fully paid

32,500 Ordinary shares of T.shs 40,000/= each	<u>1,300,000,000</u>	<u>1,300,000,000</u>
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NOTE 19.0 COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever considered necessary in order to make them comparable with current year's balances.