

NINE HILLS TANZANIA LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

NINE HILLS TANZANIA LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2024

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NINE HILLS TANZANIA LIMITED

COMPANY INFORMATION

DIRECTORS

<i>Name</i>	<i>Nationality</i>
Mr. Dharma Teja Paruchuri	Indian
Mr. Siddhartha Venkatram Muttavarapu	Indian

REGISTERED OFFICE AND PLACE OF BUSINESS

Plot No. 10, Block No. 61
Kariakoo Street
PO Box 21634
Dar es Salaam
Tanzania

INDEPENDENT AUDITORS

Grant Thornton Assurance Tanzania
Certified Public Accountants (T)
First Floor, Viva Towers
Ali Hassan Mwinyi Road
PO Box 7906
Dar es Salaam
Tanzania

Registration No: 462493
TIN: 150-603-676
NBAA Registration No: PF 403

PRINCIPAL BANKERS

Bank of India (Tanzania) Ltd
Main Branch
Maktaba Street
PO Box 7581
Dar es Salaam
Tanzania

CRDB Bank PLC
Tegeta Branch
Bagamoyo Road
PO Box 268
Dar es salaam
Tanzania

COMPANY SECRETARY

Mr. Raghunatha Chilla
PO Box 21634
Dar es Salaam
Tanzania

NINE HILLS TANZANIA LIMITED
REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

1. INTRODUCTION

The Members Charged With Governance 'the Directors' submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs of **Nine Hills Tanzania Limited**, herein referred to as the 'Company'.

2. INCORPORATION

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

3. PRINCIPAL ACTIVITIES

The principal activities of the Company continue to include poultry farming, hatchery operations, chicken processing, and feed mill production. There have been no material changes to principal activities of the Company from the prior year.

4. RESULTS AND DIVIDENDS

The Company recorded a net profit after tax for the year ended 31 December 2024 of TZS 816 million (2023: a net profit after tax of TZS 1.75 billion) which has been added to retained earnings. The Directors do not recommend the payment of any dividends for the year ended 31 December 2024 (2023: NIL).

5. FINANCIAL PERFORMANCE FOR THE YEAR

The detailed financial performance of the Company for the year is set out on page 14 of the financial statements showing a net profit after tax of TZS 816 million (2023: a net profit after tax of TZS 1.75 billion). This decline is primarily attributed to a significant reduction in gross revenue, which fell to TZS 12.88 billion from TZS 16.76 billion in the previous year, primarily due to a strategic operational adjustment aimed at improving animal welfare and long-term productivity. In prior periods, the Company operated at 100% cage capacity to maximize output, which inadvertently led to higher mortality caused by aggressive behaviour among chickens. To address this, the management reduced cage occupancy to 80%, resulting in fewer chickens per unit, a corresponding drop in egg production, and ultimately, lower revenue.

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

Details	FY2024	FY2023
(Decrease) / increase in revenue (%)	(23.1)	34.6
Increase in operating expenditure (%)	7.6	7.9
(Decrease) / increase in profit before tax (%)	(47.4)	86.7
Gross profit margin (%)	30.0	29.7
Net profit margin (%)	10.2	14.9
Current ratio (times)	2.84	6.85
Acid test ratio (times)	1.50	4.50

6. BUSINESS OBJECTIVE AND STRATEGIES

The Company's vision is to empower communities through sustainable poultry farming practices and to become Tanzania's leading poultry company, recognized for excellence in quality, innovation, and ethical farming, ensuring nutritious and affordable protein for every household.

In order to maximize shareholder value, the Company has set goals and strategies to deliver sustainable profitable growth. During the year, the board has been able to achieve the below strategic objectives set out in their plan:

NINE HILLS TANZANIA LIMITED

**REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

6. BUSINESS OBJECTIVE AND STRATEGIES (CONTINUED)

- Ensure financial stability including maintaining positive cashflows
- Acquire new customers through marketing
- Increase reliability of operations

7. FUTURE DEVELOPMENT PLAN

Long term objectives for the Company will focus on the following:

- Expand production capacity to meet growing demand for eggs and poultry products across Tanzania and neighbouring markets.
- Strengthen market presence by implementing a successful poultry model and scaling operations across East Africa.
- Promote sustainable agriculture through environmentally responsible farming practices that minimize ecological impact.
- Invest in innovation and technology to improve farm productivity, animal health, and operational efficiency.

8. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We remain conscious of Environmental, Social, and Governance issues and continue to seek better ways of measuring our impact and refining our collective values and objectives. As part of our commitment to sustainability, we have provided affordable organic poultry manure to local farmers, supporting improved soil fertility and crop yields while promoting environmentally friendly and sustainable agricultural practices.

9. CAPITAL STRUCTURE AND SHAREHOLDING

The Company's capital structure and shareholding is as follows:

	FY 2024 TZS'000	FY 2023 TZS'000	
<u>Capital Structure</u>			
<i>Authorised share capital</i>			
20,000 Ordinary shares of TZS 100,000 each	<u>2,000,000</u>	<u>2,000,000</u>	
	<u>2,000,000</u>	<u>2,000,000</u>	
<i>Issued and paid up share capital</i>			
10,100 Ordinary shares of TZS 100,000 each	<u>1,010,000</u>	<u>1,010,000</u>	
	<u>1,010,000</u>	<u>1,010,000</u>	
 <u>Shareholding:</u>			
	%	FY2024 TZS'000	FY2023 TZS'000
Venkatrama Poultries Private Limited (9,900 shares)	98.02	990,000	990,000
Dharma Teja Paruchuri (100 shares)	0.99	10,000	10,000
Siddhartha Venkatram Muttavarapu (100 shares)	0.99	10,000	10,000
	<u>100.00</u>	<u>1,010,000</u>	<u>1,010,000</u>

Directors' interest in the shares of the Company

The Directors' interest in the Company is as disclosed above.

10. DIRECTORATE

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

NINE HILLS TANZANIA LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. RESOURCES

The Company has secured a good market position and ranks highly in the market. The Board members have a wealth of knowledge and experience in our industry having served at our organizations for a long period of time. We are grateful for the contributions made by them towards our strategy and look forward to their successful implementation. The Company also has good relationships with the community, immediate stakeholders, and other networks which it shares common norms and values with.

12. STAKEHOLDERS RELATIONSHIP

The Company has a good relationship with its stakeholders, with no unresolved issues as at the year end.

13. COMMERCIAL AND OPERATIONAL RISKS

The Company continues to observe for changes in technology that could lead to a significant impact on performance. Hence management continuously analyses the risk that may arise. Through its risk management system, the Company identified strategic, commercial, operational and financial risks that faces the Company and implement strategies to mitigate the impact of the identified risks. Our risk response is always swift and decisive, having established 3 key priorities:

- Protect our people
- Our business
- Our cash

Although it is impossible to predict when we approach normality, we continue to cope admirably with the circumstances and expect to deliver success in the years ahead.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

To ensure its financial stability and profitability, the Company has implemented policies and practices for a sound and prudent management and control of the principal financial risks to which it is exposed. The Company's overall risk management programme focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance.

15. RISK MANAGEMENT AND INTERNAL CONTROL

The Board of those charged with governance accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

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

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above-mentioned objective.

The Board assessed the internal control systems throughout the financial year ended 31 December 2024 and is of the opinion that they met acceptable criteria.

NINE HILLS TANZANIA LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. CORPORATE GOVERNANCE

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

Members Charged With Governance

Functions

The Board is responsible and accountable for providing effective corporate governance, direction and control of the Company. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering, and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management against budgets and business plans.

The Board is responsible for appointing the management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the company. It is also responsible for managing good relationships with all the stakeholders. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board itself regularly undergoes self-assessment and evaluation in order to improve the internal Governance of the Board. Training is provided to ensure the Board keeps abreast with current developments in the market.

Composition of directors

<i>Name</i>	<i>Nationality</i>
Mr. Dharma Teja Paruchuri	Indian
Mr. Siddhartha Venkatram Muttavarapu	Indian

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

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

<i>Name</i>	<i>Q1 held on 31 March 2024</i>	<i>Q2 held on 30 June 2024</i>	<i>Q3 held on 30 September 2024</i>	<i>Q4 held on 31 December 2024</i>	<i>Attendance (%)</i>
Mr. Dharma Teja Paruchuri	Present	Present	Present	Present	100
Mr. Siddhartha V. Muttavarapu	Present	Present	Present	Present	100

17. TECHNOLOGY AND INNOVATION

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

18. ETHICAL BEHAVIOR

The Company's code of conduct governs all its activities, internal relations and interactions with stakeholders in accordance with its ethical values. It is expected of all staff to maintain a high level of integrity and honesty in dealing with customers, suppliers, service providers and colleagues. Compliance with the code of conduct is the ultimate responsibility of the Director, with day-to-day monitoring delegated to line management with the support of personnel officers. The code is supplemented by the Company's responsibility philosophy as well as its employment practices, occupational health and safety controls.

NINE HILLS TANZANIA LIMITED

REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. BUSINESS ETHICS AND ORGANIZATION INTEGRITY

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

20. EMPLOYEES

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

Employees welfare

The relationship between management and employees continue to be good. The Company is an equal opportunity employer, and gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

Employees benefit plan

Employees are members of a pension fund. The Company contributes 10% of the gross salary to National Social Security Fund, which is a publicly administered mandatory pension plan and qualifies to be a defined contribution plan for each employee on behalf of all permanent employees. These plans are defined contribution plan. The Company's employment terms are regularly reviewed to ensure that they continue to meet statutory and market conditions, The Company communicates with its employees through regular management and staff meetings and through circulars. The Company has continued to maintain a favourable working environment in terms of offices, canteen, and medical facilities.

During the year the Company had an average of employees 155 (2023: 169).

21. FINANCIAL REPORTING AND AUDITING

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

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

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

Those Charged With Governance are satisfied that during the year under review:

- Adequate accounting records were maintained;
- An effective system of internal control and risk management, monitored by management, was maintained;
- Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- The financial statements were compiled in accordance with IFRS for SMEs Accounting Standard and the requirements of the Tanzanian Companies Act, 2002.

NINE HILLS TANZANIA LIMITED

**REPORT BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

21. FINANCIAL REPORTING AND AUDITING (CONTINUED)

Those Charged With Governance are also satisfied that no material event has occurred between the financial year-end and the date of this report.

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

22. SOLVENCY AND GOING CONCERN

The Company's state of affairs is set out on page 13 of these reports. The Board of Directors confirms that IFRS for SMEs Accounting Standard have been followed and that the financial statements have been prepared on a going concern basis with a reasonable expectation that **Nine Hills Tanzania Limited** has adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements.

23. EVENTS AFTER REPORTING PERIOD

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

24. RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are disclosed in Note 18 of the notes to the financial statements.

25. RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Members Charged With Governance accept responsibility for preparing these financial statements which show a true and fair view of the Company to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Company.

26. STATEMENT OF DISCLOSURE TO THE COMPANY'S AUDITOR

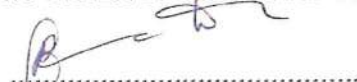
With respect to each person who is a Director on the day that this report is approved:


- there is, so far as the person is aware, no relevant audit information of which the Company's auditor is unaware; and
- the person has taken all the steps that he ought to have taken as a Director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

27. AUDITORS

Grant Thornton Assurance Tanzania was appointed as the Company's auditor during the year in accordance with the Tanzanian Companies Act, 2002. Details of the firm are provided on page 1.

BY ORDER OF THE BOARD OF THOSE CHARGED WITH GOVERNANCE:


.....
Mr. Dharma Teja Paruchuri
Director


.....
Mr. Siddhartha Venkatram Muttavarapu
Director

Date: 30th July 2025

Date: 30th July 2025

NINE HILLS TANZANIA LIMITED

**STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view of **Nine Hills Tanzania Limited** ("the Company"), comprising the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS for SMEs Accounting Standard and in the manner required by the Tanzania Companies Act, 2002. The directors are also responsible to confirm compliance with the provisions of Tanzania Financial Reporting Standard (TFRS 1). The members also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislations relevant to the Company.

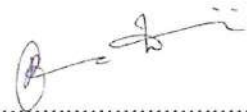
The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Board of Directors confirm that the financial statements have been prepared on a going concern basis with a reasonable expectation that **Nine Hills Tanzania Limited** has access to adequate resources to continue its operational existence at least for the next twelve months from the date of approval of these financial statements.

The auditors are responsible for reporting on whether the financial statements give a true and fair view in accordance with the IFRS for SMEs Accounting Standard.

Approval

The financial statements of **Nine Hills Tanzania Limited**, as identified in the first paragraph, were approved by the Board of Directors on30th July..... 2025 and signed by:


.....
Mr. Dharma Teja Paruchuri
Director


.....
Mr. Siddhartha Venkatram Muttavarapu
Director

NINE HILLS TANZANIA LIMITED
DECLARATION OF HEAD OF FINANCE
FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

I, Mazaher A. Yusuf, being the Head of Finance/Accounting of **Nine Hills Tanzania Limited**, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **Nine Hills Tanzania Limited** as on that date and that they have been prepared based on properly maintained financial records.



Signed:

Position: Head of Finance (Outsourced)

NBAA Membership No: ACPA - 1452

Date: 30th July.....2025

Registered office:

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

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
NINE HILLS TANZANIA LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Nine Hills Tanzania Limited** ("the Company"), set out on pages 13 to 29, which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Nine Hills Tanzania Limited** as at 31 December 2024, and of its financial performance and its cash flows for the year ended in accordance with IFRS for SMEs Accounting Standard and in the manner required by the Tanzanian Companies Act, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company for the year ended 31 December 2023 were compiled by another independent practitioner whose report is dated 25 July 2024.

Other Information

The Directors are responsible for the other information. The other information comprises the Report by Those Charged with Governance as required by the Tanzanian Companies Act, 2002; Statement of Responsibilities of Those Charged With Governance and Declaration of Head of Finance. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Grant Thornton Assurance Tanzania

Grant Thornton International (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered independently by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Partners M Fazel
K Shah

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NINE HILLS TANZANIA LIMITED (CONTINUED)

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

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS for SMEs Accounting Standard, and the requirements of the Tanzanian Companies Act, 2002, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Grant Thornton

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NINE HILLS TANZANIA LIMITED (CONTINUED)

Report on Other Legal and Regulatory Requirements

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

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

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


.....
Signed by: **Muntazir E. Fazel - ACPA-PP2323**
Dar es Salaam



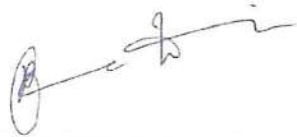
Date: 30 July 2025

NINE HILLS TANZANIA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024


	Notes	FY 2024 TZS'000	FY 2023 TZS'000
Non-current assets			
Property, plant and equipment	4	4,962,300	3,012,534
Biological assets	5	1,029,130	1,105,269
Investments	6	1,003,423	-
		<u>6,994,853</u>	<u>4,117,803</u>
Current assets			
Inventory	7	1,313,225	1,573,019
Trade and other receivables	8	822,692	2,410,395
Tax receivable	17 (b)	82,422	82,422
Cash and cash equivalents	9	563,512	521,711
		<u>2,781,851</u>	<u>4,587,547</u>
TOTAL ASSETS		<u>9,776,704</u>	<u>8,705,350</u>
Equity			
Share capital	10	1,010,000	1,010,000
Retained earnings		7,609,754	6,793,752
TOTAL EQUITY		<u>8,619,754</u>	<u>7,803,752</u>
Non-current liabilities			
Deferred tax liability	17(a)	176,198	232,022
		<u>176,198</u>	<u>232,022</u>
Current liabilities			
Trade and other payables	11	708,317	292,052
Tax payable	17 (c)	272,435	377,524
		<u>980,752</u>	<u>669,576</u>
TOTAL LIABILITIES		<u>1,156,950</u>	<u>901,598</u>
TOTAL EQUITY AND LIABILITIES		<u>9,776,704</u>	<u>8,705,350</u>

Approval of the financial statements

The financial statements were approved by the Board of Directors on 30th July.....2025
and signed on its behalf by:



.....
Mr. Dharma Teja Paruchuri
Director



.....
Mr. Siddhartha Venkatram Muttavarapu
Director

Independent Auditors' Report is on pages 10 to 12.

Notes to the financial statements are on pages 24 to 29.

NINE HILLS TANZANIA LIMITED

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

	Notes	FY 2024 TZS'000	FY2023 TZS'000
Revenue	12	12,884,438	16,760,305
Cost of sales	13	<u>(9,017,460)</u>	<u>(11,784,237)</u>
Gross profit		3,866,978	4,976,068
Other income	14	35,707	33,661
Administration expenses	15	(1,509,049)	(1,352,478)
Staff cost	16	(630,061)	(636,332)
Movement in biological assets	5	<u>(445,962)</u>	<u>(516,285)</u>
Operating profit		1,317,613	2,504,634
Profit before tax		1,317,613	2,504,634
Tax charge	17 (c)	(501,611)	(751,390)
Profit after tax		816,002	1,753,244
Other comprehensive income		-	-
Total comprehensive income for the year		<u>816,002</u>	<u>1,753,244</u>

Independent Auditors' Report is on pages 10 to 12.

Notes to the financial statements are on pages 24 to 29.

NINE HILLS TANZANIA LIMITED

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

	Share capital TZS'000	Retained Earnings TZS'000	Total TZS'000
Year ended 31 December 2023			
Balance as at 01 January 2023	1,010,000	5,166,347	6,176,347
<i>Total comprehensive income for the year:</i>			
Prior years corporate tax adjustment	-	(111,631)	(111,631)
Prior years withholding tax paid	-	(14,207)	(14,207)
Profit for the year	-	1,753,243	1,753,243
Other comprehensive income	-	-	-
	<u>-</u>	<u>1,627,405</u>	<u>1,627,405</u>
Transactions with owners, booked directly in equity	-	-	-
Dividends declared	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 December 2023	<u>1,010,000</u>	<u>6,793,752</u>	<u>7,803,752</u>
Year ended 31 December 2024			
Balance as at 01 January 2024	1,010,000	6,793,752	7,803,752
<i>Total comprehensive income for the year:</i>			
Profit for the year	-	816,002	816,002
Other comprehensive income	-	-	-
	<u>-</u>	<u>816,002</u>	<u>816,002</u>
Transactions with owners, booked directly in equity	-	-	-
Dividends declared	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 December 2024	<u>1,010,000</u>	<u>7,609,754</u>	<u>8,619,754</u>

Independent Auditors' Report is on pages 10 to 12.

Notes to the financial statements are on pages 24 to 29.

NINE HILLS TANZANIA LIMITED

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

	Notes	FY2024 TZS'000	FY2023 TZS'000
Profit before tax		1,317,613	2,504,634
<i>Adjustment for:</i>			
- Depreciation on property, plant & equipment	4	237,342	296,122
- Movement in biological assets	5	445,962	516,285
		<u>2,000,917</u>	<u>3,317,041</u>
<i>Changes in working capital:</i>			
- Inventories		259,793	493,898
- Trade and other receivables		1,587,700	(1,814,893)
- Trade and other payables		416,269	(577,223)
Cash generated from operations		4,264,679	1,418,823
Provisional tax paid	17 (c)	(285,000)	(360,000)
Withholding tax on interest income	17 (c)	-	(3,693)
Prior years taxes paid	17(c)	(377,524)	(125,733)
Net cash generated from operating activities		3,602,155	929,397
Investing activities			
Purchase of biological assets	5	(369,823)	(313,739)
Purchase & development of land	4	(2,064,488)	-
Purchase of capital work-in-progress	4	(26,049)	(356,362)
Purchase of other fixed assets	4	(96,571)	-
Net cash utilised in investing activities		(2,556,931)	(670,101)
Financing activities			
Funds paid for investments	6	(1,003,423)	-
Net cash utilised in financing activities		(1,003,423)	-
Net movement in cash and cash equivalents		41,801	259,296
Cash and cash equivalents at the beginning of the year	9	521,711	262,415
Increase in cash and cash equivalents		41,801	259,296
Cash and cash equivalents at the end of the year	9	563,512	521,711

Independent Auditors' Report is on pages 10 to 12.

Notes to the financial statements are on pages 24 to 29.

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024

1. REPORTING ENTITY

Nine Hills Tanzania Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in the United Republic of Tanzania. These financial statements are for the year ended 31 December 2024.

2. BASIS OF PREPARATION

(a) Statement of compliance

The annual report and financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS for SMEs Accounting Standard interpretations issued and effective at the time of preparing these annual report and financial statements and the Tanzanian Companies Act, 2002.

(b) Basis of measurement

The annual report and financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below.

(c) Functional and presentation currency

These financial statements are presented in the Tanzanian Shillings (TZS' 000), which is the company's functional and presentation currency rounded to nearest Tanzanian thousand shillings.

(d) Significant judgements and critical accounting estimates

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

Critical judgements in applying the Company's accounting policies

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

Key sources of estimation uncertainty

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

- ***Useful lives and residual values of property, plant and equipment***

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the Directors determined no significant changes in the useful lives and residual values.

- ***Impairment testing***

The Company reviews and tests the carrying value of property, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

(d) Significant judgements and critical accounting estimates (continued)

Key sources of estimation uncertainty (continued)

- **Fair value of biological assets**
The fair value of biological assets is determined using estimates such as market prices, expected yields, and costs to sell. These estimates involve significant judgment and are subject to change due to factors like weather, disease, and market volatility. As such, there is a risk of material changes to the carrying amounts in future periods.
- **Income tax**
The income tax charged to Statement of Profit or Loss and other Comprehensive Income is subjected to agreement with Tanzania Revenue Authority. When the final tax outcome, upon agreement of assessment differs from the amounts originally recorded, such differences are adjusted in subsequent period.
- **Deferred tax**
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using the tax rates that are expected to apply when the differences reverse. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax balances are not discounted and are reviewed at each reporting date.
- **Allowance for slow moving, damaged and obsolete inventory**
Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

3. MATERIAL ACCOUNTING POLICIES

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

(a) Property, plant and equipment

Recognition and measurement

All items of property, plant and equipment are initially measured at cost, which includes capitalised borrowing costs less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment is recognised as an asset, only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent to initial recognition

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

NINE HILLS TANZANIA LIMITED

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Property, plant and equipment (continued)

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the reducing balance method, and is generally recognised in profit or loss.

The estimated depreciation rate of property, plant and equipment is as follows:

Description	Depreciation Method	Rate (%)
Plant and machinery	Diminishing balance	25.0
Generators	Diminishing balance	25.0
Equipment	Diminishing balance	12.5
Furniture, fixtures and office equipment	Diminishing balance	12.5
Motor vehicles and cycles	Diminishing balance	25.0
Computer and peripherals	Diminishing balance	37.5
Chicken sheds	Diminishing balance	20.0

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. As at 31 December 2024, there exists no indication of a significant change in depreciation rate, useful life or residual value of property, plant and equipment.

Derecognition

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

(b) Impairment

Impairment of assets

The Company assesses at each reporting date whether there is any indication that plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Income Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits. Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories includes a "right to returned goods asset" which represents the Company right to recover products from customers where customers exercise their right of return under the Company returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

(f) Biological Assets

Recognition and measurement

Biological assets, comprising chicks, grower, and layer chickens, are recognized when the company controls the animals as a result of past events, it is probable that future economic benefits will flow to the company, and the fair value or cost can be reliably measured. At initial recognition, biological assets are measured at fair value less estimated costs to sell, or at cost when fair value cannot be reliably measured.

NINE HILLS TANZANIA LIMITED

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Biological Assets (continued)

Subsequent to initial recognition

After initial recognition, biological assets are measured at fair value less estimated costs to sell at each reporting date, unless fair value cannot be reliably measured, in which case they are measured at cost less accumulated depreciation and impairment.

Changes in fair value

Gains or losses arising from changes in fair value less estimated costs to sell are recognized in profit or loss in the period in which they arise.

(g) Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at fair value

These include investments in shares and other equity instruments. Equity instruments that are publicly traded or whose fair value can be reliably measured are subsequently measured at fair value through profit or loss, in accordance with Section 11.7 of the standard. Where the fair value cannot be reliably measured, the equity instruments are measured at cost less impairment. Changes in fair value, or impairment losses, are recognised in profit or loss in the period in which they arise.

(h) Ordinary shares

Ordinary shares represent the par value of shares that have been issued. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

NINE HILLS TANZANIA LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Revenue

Revenue recognition

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

(j) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

(k) Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leaves and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Termination benefits

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

Defined contribution plans

The Company and all its employees contribute to the National Social Security Fund (NSSF), which is a defined contribution scheme. A defined contribution plan is a pension plan under which the Company pays a fixed contribution to a separate entity. The Company has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The assets of the scheme are held in a separate trustee administered fund which is funded by contribution from both the Company and the employees.

The Company's contribution to the defined contribution scheme is charged to the statement of profit or loss and other comprehensive income in the year in which they fall due.

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Provisions are recognised when:

- the Company has a present obligation as a result of a past events
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision. Provisions are not recognised for future operating losses. Contingent assets and contingent liabilities are not recognised.

(m) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term unless:

- Another systematic basis is representative of the time pattern of the benefit from the leased assets, even if the payments are not on that basis, or
- The payments are structured to increase in line with expected general inflation (based on published indexes or statistic) to compensate for the lessor's expected inflationary cost increase. Any contingent rents are expensed in the period they are incurred.

(n) Contingencies

Liabilities for loss contingencies, arising from claims, assessments, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

NINE HILLS TANZANIA LIMITED

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Capital work-in-progress	Plant and Machinery	Generators	Equipment	Furniture, fixtures and office equipment	Motor Vehicles and cycles	Computer and peripherals	Chicken sheds	Total
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
COST										
Balance at 1st January 2023	1,889,341	-	2,930,314	86,477	213,730	29,462	28,435	13,886	816,091	6,007,736
Additions	27,314	-	-	73,393	5,059	-	-	3,246	247,350	356,362
Transfers	-	-	(8,967)	-	8,967	-	-	-	-	-
Balance at 31st December 2023	1,916,655	-	2,921,347	159,870	227,756	29,462	28,435	17,132	1,063,441	6,364,098
Balance at 1st January 2024	1,916,655	-	2,921,347	159,870	227,756	29,462	28,435	17,132	1,063,441	6,364,098
Additions	2,064,488	26,049	92,482	-	2,444	-	320	1,325	-	2,187,108
Transfers	-	-	5,267	-	(5,267)	-	-	-	-	-
Balance at 31st December 2024	3,981,143	26,049	3,019,096	159,870	224,933	29,462	28,755	18,457	1,063,441	8,551,206
ACCUMULATED DEPRECIATION										
Balance at 1st January 2023	-	-	2,394,469	66,151	92,406	15,656	25,319	9,744	451,697	3,055,442
Charge for the year	-	-	133,961	20,372	15,194	1,726	779	1,741	122,349	296,122
Balance at 31st December 2023	-	-	2,528,430	86,523	107,600	17,382	26,098	11,485	574,046	3,351,564
Balance at 1st January 2024	-	-	2,528,430	86,523	107,600	17,382	26,098	11,485	574,046	3,351,564
Charge for the year	-	-	102,398	18,337	14,117	1,510	604	2,497	97,879	237,342
Balance at 31st December 2024	-	-	2,630,828	104,860	121,717	18,892	26,702	13,982	671,925	3,588,906
NET BOOK VALUE										
Balance at 31st December 2023	1,916,655	-	392,917	73,347	120,156	12,080	2,337	5,647	489,395	3,012,534
Balance at 31st December 2024	3,981,143	26,049	388,268	55,010	103,216	10,570	2,053	4,475	391,516	4,962,300

NINE HILLS TANZANIA LIMITED

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

5. BIOLOGICAL ASSETS

	FY 2024 TZS'000	FY 2023 TZS'000	FY 2024 No. of birds	FY 2023 No. of birds
Fair value at the start of the year	1,105,269	1,307,815	233,934	345,001
Add: Purchases during the year	369,823	313,739	153,286	148,976
Less: Sales during the year	(644,883)	(1,044,015)	(101,155)	(192,476)
Less: Mortality during the year	(300,259)	(366,492)	(47,098)	(67,567)
Gain on revaluation of biological assets	499,180	894,222	-	-
Fair value at the end of the year	<u>1,029,130</u>	<u>1,105,269</u>	<u>238,967</u>	<u>233,934</u>

*Biological assets include chicks, growers, and layer chickens.

6. INVESTMENTS

	FY 2024 TZS'000	FY 2023 TZS'000
Shares in CRDB Bank	239,999	-
Shares in NMB Bank	59,996	-
Treasury bonds	703,428	-
	<u>1,003,423</u>	<u>-</u>

During the year, the Company invested in long-term treasury bonds with maturities of 20 and 25 years, carrying coupon rates of 15.49% and 15.95%, respectively. As at 31 December 2024, the investment portfolio also comprised 359,248 shares in CRDB Bank Plc and 10,726 shares in NMB Bank Plc.

7. INVENTORY

	FY 2024 TZS'000	FY 2023 TZS'000
Feed raw materials	840,972	967,668
Eggs	101,328	51,732
Feed finished	87,998	113,651
Vaccines	84,566	91,398
Packing materials	67,288	67,353
Feed supplements	54,520	59,621
General items	48,967	147,984
Medicines	21,441	73,575
Disinfectants	6,145	37
	<u>1,313,225</u>	<u>1,573,019</u>

8. TRADE AND OTHER RECEIVABLES

	FY 2024 TZS'000	FY 2023 TZS'000
Trade receivables	81,106	120,946
Related party receivables (Refer to Note 18)	568,019	1,748,505
Deposits and prepayments	153,720	400,447
Accrued interest income	19,004	-
Employee advances	843	140,497
	<u>822,692</u>	<u>2,410,395</u>

9. CASH AND CASH EQUIVALENTS

	FY 2024 TZS'000	FY 2023 TZS'000
Cash at bank	557,086	516,935
Cash in mobile wallets	6,426	2,687
Cash in hand	-	2,089
	<u>563,512</u>	<u>521,711</u>

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

10. SHARE CAPITAL

The Company's capital structure and shareholding is as follows:

		FY 2024	FY 2023
		TZS'000	TZS'000
Capital Structure			
<i>Authorised share capital</i>			
20,000 Ordinary shares of TZS 100,000 each		2,000,000	2,000,000
		<u>2,000,000</u>	<u>2,000,000</u>
<i>Issued and paid up share capital</i>			
10,100 Ordinary shares of TZS 100,000 each		1,010,000	1,010,000
		<u>1,010,000</u>	<u>1,010,000</u>
Shareholding:			
	%	FY2024	FY2023
		TZS'000	TZS'000
Venkatrama Poultries Private Limited (9,900 shares)	98.02	990,000	990,000
Dharma Teja Paruchuri (100 shares)	0.99	10,000	10,000
Siddhartha Venkatram Muttavarapu (100 shares)	0.99	10,000	10,000
	<u>100.00</u>	<u>1,010,000</u>	<u>1,010,000</u>

Directors' interest in the shares of the Company

The Directors' interest in the Company is as disclosed above.

11. TRADE AND OTHER PAYABLES

	FY 2024	FY 2023
	TZS'000	TZS'000
Trade payables	20,766	121,666
Related party payables (Refer to Note 18)	47,683	-
Accruals	30,735	37,220
Deposits from customers	88,513	91,557
Other payables	398,702	41,609
Audit fees payable	21,600	-
Suspended tax liability	100,318	-
	<u>708,317</u>	<u>292,052</u>

12. REVENUE

	FY 2024	FY 2023
	TZS'000	TZS'000
Sale of eggs	11,598,182	13,659,967
Sale of birds	1,197,905	1,993,744
Sale of feed	-	1,008,551
Sale of manure	86,261	67,257
Sale of other	2,090	30,786
	<u>12,884,438</u>	<u>16,760,305</u>

The Company generates revenue primarily from the sale of commercial layer eggs and layer birds. Revenue is measured based on the agreed consideration specified in customer contracts or orders, excluding value-added tax and any applicable discounts. Revenue from the sale of layer eggs is recognised at the point in time when the eggs are delivered to or collected by the customer. Revenue from the sale of layer birds is recognised upon delivery to the customer.

NINE HILLS TANZANIA LIMITED

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)**

13. COST OF SALES

	FY 2024	FY 2023
	TZS'000	TZS'000
Opening inventory	1,573,019	2,066,915
Add: Purchases	7,816,002	10,273,161
Add: Other direct costs	941,664	1,017,180
Less: Closing inventory	<u>(1,313,225)</u>	<u>(1,573,019)</u>
	<u>9,017,460</u>	<u>11,784,237</u>

14. OTHER INCOME

	FY 2024	FY 2023
	TZS'000	TZS'000
Interest income on term loan	-	32,045
Interest income on treasury bonds	19,004	-
Foreign exchange gain	3,085	1,616
	<u>35,707</u>	<u>33,661</u>

15. ADMINISTRATION EXPENSES

	FY 2024	FY 2023
	TZS'000	TZS'000
Audit fees	22,190	5,192
Agricultural expense	-	1,194
Bank charges and commissions	25,647	20,946
Brokerage and commissions	128,226	143,078
City service levy	38,417	49,719
Depreciation charge	237,342	296,122
Fines and penalties	33,062	-
Freight, transport and offloading	52,040	100,131
Fuel expenses	65,094	67,189
Insurance expenses	-	685
Internet and telephone charges	12,671	10,721
Legal and professional fees	83,520	24,565
Licences and registrations	7,149	4,625
Motor vehicle hiring charges	130,614	138,374
Motor vehicle running charges	12,443	8,936
Office and general expenses	-	1,214
Prior year assessments	344,330	-
Printing, postage and stationeries	12,176	8,538
Repairs and maintenance	143,061	134,848
Security expenses	48,191	48,396
Stamp duty	240	192
Transport and travelling	89,089	244,106
Visas and permits	19,224	43,707
Write off expenses	4,323	-
	<u>1,509,049</u>	<u>1,352,478</u>

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

16. STAFF COSTS

	FY 2024	FY 2023
	TZS'000	TZS'000
Salaries and wages	474,885	471,045
NSSF contribution	88,877	98,808
Skills and development levy	19,083	20,135
Workers compensation fund	4,444	4,870
Medical expenses	6,326	14,599
Staff canteen	25,230	19,512
Staff welfare	11,216	7,363
	<u>630,061</u>	<u>636,332</u>

17. TAXATION

(a) Deferred tax liability

	FY2024	FY2023
	TZS'000	TZS'000
Balance as at the beginning	232,022	221,744
(Credit)/charge for the year	(55,824)	10,278
Closing balance	<u>176,198</u>	<u>232,022</u>

The deferred tax liability arises as a result of timing and temporary difference, as follows:

	FY2024	FY2023
	TZS'000	TZS'000
Timing differences on PPE	587,324	746,113
Timing differences on unrealized foreign exchange loss	-	27,293
Total timing difference	<u>587,324</u>	<u>773,406</u>
Deferred tax liability at 30% thereon	<u>176,198</u>	<u>232,022</u>

(b) Tax receivable

	FY2024	FY2023
	TZS'000	TZS'000
Opening balance	82,422	82,422
Movement during the year	-	-
Closing balance	<u>82,422</u>	<u>82,422</u>

(c) Tax payable

	FY2024	FY2023
	TZS'000	TZS'000
Opening balance	377,524	-
Add: Prior year tax adjustment	-	111,631
Add: Current year tax charge	557,435	741,112
Less: Provisional tax paid	(285,000)	(360,000)
Less: Withholding tax on interest income	-	(3,693)
Less: Prior year tax paid	(377,524)	(111,526)
Closing balance	<u>272,435</u>	<u>377,524</u>

(d) Current tax charge

	FY2024	FY2023
	TZS'000	TZS'000
Corporate tax charge for the year	557,435	741,112
Deferred tax charge for the year	(55,824)	10,278
	<u>501,611</u>	<u>751,390</u>

NINE HILLS TANZANIA LIMITED
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18. RELATED PARTY TRANSACTIONS

Related party relationships exist between shareholders and companies under common ownership and management. All transactions with related parties are made at arm's length in the normal course of business and on normal commercial terms and conditions. The Company is controlled by Venkatrama Poultries Private Limited (India) a Company incorporated and registered in India which owns 98.02% of the Company's shares.

The following are transactions of balances with related parties:

	FY2024	FY2023
	TZS'000	TZS'000
Transactions with related party		
Sales to Related Party		
Rasberi Investments Limited (Tanzania)	320,231	-
	<u>320,231</u>	<u>-</u>
Expenses paid on behalf of Related party		
VRPL Tanzania Limited (Tanzania)	6,946	-
	<u>6,946</u>	<u>-</u>
Professional charges towards Business support		
Venkatrama Poultries Private Limited (India)	69,192	-
	<u>69,192</u>	<u>-</u>
Balances with related party		
Due to Related Party		
Venkatrama Poultries Private Limited (India)	47,683	-
	<u>47,683</u>	<u>-</u>
Due from Related Party		
Rasberi Investments Limited (Tanzania)	560,073	1,739,822
VRPL Tanzania Limited (Tanzania)	7,946	1,000
Ninety-Nine Hills Tanzania Limited (Tanzania)	-	4,323
Venkatrama Poultries Private Limited (India)	-	3,360
	<u>568,019</u>	<u>1,748,505</u>

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Directors confirm that there are no capital commitments or contingent liabilities involving the Company as at the date of these financial statements.

20. EVENTS AFTER REPORTING PERIOD

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

21. COMPARATIVES

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

