Wilmar Rice Tanzania Limited

Formerly MW Rice Millers Limited

(Registration number 131018)

Financial statements
for the year ended 31 December 2023

General Information

Country of incorporation and domicile	United Republic of Tanzania
Nature of business and principal activities	Milling of paddy and selling of rice
Directors	Robert Mark Burton Vasu Santosh Kumar Prashant Trikha
Registered office	Plot Number 66-75 Block Number E Industrial Complex Area Kihonda Morogoro Tanzania
Postal address	P.O.Box 1206 Morogoro
Bankers	Standard Chartered Bank Tanzania Limited Stanbic Bank Tanzania Limited NMB Bank Plc Exim Bank (Tanzania) Limited Azania Bank Limited National Bank of Commerce Limited
Auditors	Crowe Tanzania Certified Public Accountants in Public Practice Dar es Salaam
Secretary	Nihar Parshottam Vegad
Company registration number	131018

Contents

The reports and statements set out below comprise the financial statements presented to the shareholders:

The Report by Those Charged with Governance

The members charged with governance (directors) have pleasure in submitting their report on the financial statements of Wilmar Rice Tanzania Limited for the year ended 31 December 2023. The report highlights the company's state of affairs for the year ended 31 December 2023.

1. Incorporation

The company is incorporated in the United Republic of Tanzania under the Companies Act 2002 as a private company limited by shares.

2. Nature of business

The principal activity of the company is that of milling of paddy and selling rice.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002. The accounting policies have been applied consistently compared to the prior year.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net loss of the company was TZS 8,371,944,000 (2022: loss TZS 361,504,000), after taxation of TZS 955,662,000 (2022: TZS (747,064,000)).

Net loss of the company has increased by 2,029% as compared to prior year, this is mainly attributed to high raw material cost resulting into low margins and unfavourable exchange rate fluctuations.

4. Going concern

We draw attention to the fact that as at 31 December 2023, the company had accumulated losses of TZS 11,659,226,000 and that the company's current liabilities exceeded its current assets by TZS 79,604,014,000.

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

5. Liquidity

The company has financing arrangements with Standard Chartered Bank Tanzania Limited and loans from group companies. Details of which are disclosed in notes 9, 10 and 11 to these financial statements.

6. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

The Report by Those Charged with Governance

7. Directors

The directors of the company during the year and to the date of this report are as follows:

Directors	**Nationality**
Robert Mark Burton	Australian
Vasu Santosh Kumar	Indian
Prashant Trikha	Singaporean

There have been no changes to the directors for the year under review.

8. Share capital

			2023	2022
Authorised			Number of shares	
Ordinary shares			73,000	73,000

	2023	2022	2023	2022
Issued	TZS '000	TZS '000	Number of shares	
Ordinary shares	18,396,000	18,396,000	18,396	18,396

There have been no changes to the authorised or issued share capital during the year under review.

9. Shareholders of the company

The total number of shareholders during the year are 2 shareholders (previous year: 2 shareholders).

The shares of the company are held as follows:

	Number of shares	
	2023	**2022**
Wadworth Holdings Limited	14,968	14,968
Wilmar Tanzania PTE Ltd	3,428	3,428
	18,396	**18,396**

10. Secretary

The company secretary is Nihar Parshottam Vegad.

11. Dividends

The board of directors do not recommend the declaration of a dividend for the year.

12. Corporate governance

The board of directors consists of 3 directors. 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 business plans and budgets. The board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Report by Those Charged with Governance

The board is required to meet at least four times a year. The board delegates the day to day management of the business to the managing director assisted by senior management. Senior management is invited to attend board meetings and facilitates the effective control of all the company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

13. Risk management and internal control

The board 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;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours 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 of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company system is designed to provide the board with reasonable assurance that the procedures in place are operating effectively.

The board assessed the internal control systems throughout the financial year ended 31 December 2023 and is of the opinion that they met accepted criteria.

14. Employees' welfare

Management and employees' relationship

The relation between employees and management continued to be cordial during the year. There were no unresolved complaints received by management from the employees during the year.

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

Employee benefit plan

Employees are members of a pension fund. The company contributes 10% of gross salary to applicable pension scheme for each employee on behalf of all permanent employees. These plans are defined contribution plans.

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, medical facilities and transport.

15. Related parties transactions

Related party transactions and balances are disclosed in note 27 to these financial statements.

The Report by Those Charged with Governance

16. Political and charitable donations

During the period under audit, no political or charitable donations were made by the company.

17. Responsibility of those charged with governance

It is directors' responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and applicable rules, regulations and legal provisions. The directors also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting Standard 1 (TFRS 1) and all other statutory legislations relevant to he company.

18. Statement of disclosure to the company's auditors

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 auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

19. Auditors

The auditors, Crowe Tanzania have expressed their willingness to continue in office and will be recommended for re-appointment in accordance with the Companies Act 2002.

The financial statements set out on pages 12 to 46, which have been prepared on the going concern basis, were approved by the board of directors on the date of this report, and were signed on its behalf by:

Robert Mark Burton
Director

Date: 28 June 2024

Vasu Santosh Kumar
Director

Date: 28 June 2024

Statement of Directors' Responsibilities

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

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

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

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

The directors have reviewed the company’s cash flow forecast for the year to 31 December 2024 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 9 to 11.

The financial statements set out on pages 12 to 46, which have been prepared on the going concern basis, were approved by the board of directors on the date of this statement and were signed on their behalf by:

Robert Mark Burton **Director**	**Vasu Santosh Kumar** **Director**
Date: 28 June 2024	**Date:** 28 June 2024

Declaration of the Head of Finance/Accounting

Declaration of the Head of Finance/Accounting of Wilmar Rice Tanzania Limited

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's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as stated under the Statement of Directors' Responsibilities on an earlier page.

I, HUMPHREY SETH MBWILO being the Head of Finance/Accounting of Wilmar Rice Tanzania Limited at 31 December 2023 and for the year then ended hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2023 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 Wilmar Rice Tanzania Limited as on that date and that they have been prepared based on properly maintained financial records.

Name: HUMPHREY SETH MBWILO

Signature:

Position: FINANCE MANAGER

NBAA Membership No: ACPA6034

Date: 28 June 2024

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Report of the Independent Auditor

To the shareholders of Wilmar Rice Tanzania Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Wilmar Rice Tanzania Limited (the company) set out on pages 12 to 46, which comprise the Statement of Financial Position as at 31 December 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilmar Rice Tanzania Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 31 in the financial statements, which indicates that the company had accumulated loss of TZS 11,659,226,000 as at the year ended 31 December 2023 and, as of that date, the company’s current liabilities exceeded its current assets by TZS 79,604,014,000. As stated in note 31, these events or conditions, along with other matters as set forth in note 31, indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises The Report by Those Charged with Governance, Statement of Directors' Responsibilities and Declaration of the Head of Finance/Accounting, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's 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.

Report of the Independent Auditor

To the shareholders of Wilmar Rice Tanzania Limited

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of 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 International Standards on Auditing 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 International Standards on Auditing, 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.

Report of the Independent Auditor

To the shareholders of Wilmar Rice Tanzania Limited

Report on other legal and regulatory requirements

This report, including opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act 2002 and for no other purposes. As required by the Companies Act 2002, we report to you, based on our audit, that:

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

CPA Christopher Msuya
ACPA-PP1076
For and on behalf of Crowe Tanzania
Certified Public Accountants in Public Practice
Dar es Salaam

Date: 29 June 2024

Statement of Financial Position as at 31 December 2023

	Note(s)	2023 TZS '000	2022 TZS '000
Assets			
Non-Current Assets			
Property, plant and equipment	3	84,105,193	58,508,044
Right-of-use asset	4	7,517,413	7,703,654
		91,622,606	**66,211,698**
Current Assets			
Inventories	14	71,478,488	19,811,848
Trade and other receivables	7	3,688,234	1,933,256
Cash and cash equivalents	8	742,537	2,273,948
		75,909,259	**24,019,052**
Total Assets		**167,531,865**	**90,230,750**
Equity and Liabilities			
Equity			
Share capital	13	18,396,000	18,396,000
Accumulated loss		(11,659,226)	(3,287,285)
		6,736,774	**15,108,715**
Liabilities			
Non-Current Liabilities			
Loans from group companies	11	4,350,000	-
Lease liabilities	5	931,818	1,262,926
Deferred tax	6	-	1,382,672
		5,281,818	**2,645,598**
Current Liabilities			
Trade and other payables	12	7,573,126	4,245,998
Loans from group companies	11	11,250,000	-
Bank loans	10	70,000,000	16,000,000
Lease liabilities	5	18,220	41,434
Current tax payable		9,855	20,253
Loans from shareholders	9	46,592,250	42,927,030
Bank overdraft	8	20,069,822	9,241,722
		155,513,273	**72,476,437**
Total Liabilities		**160,795,091**	**75,122,035**
Total Equity and Liabilities		**167,531,865**	**90,230,750**

The financial statements and the notes on pages 12 to 46, were approved by the board of directors on the date of this statement and were signed on its behalf by:

Robert Mark Burton
Director

Date: 28 June 2024

Vasu Santosh Kumar
Director

Date: 28 June 2024

The accounting policies on pages 16 to 27 and the notes on pages 28 to 46 form an integral part of the financial statements.

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2023 TZS '000	2022 TZS '000
Revenue	15	85,355,360	88,143,759
Cost of sales	16	(76,769,333)	(78,593,712)
Gross profit		**8,586,027**	**9,550,047**
Other operating income	17	220,232	376,246
Other operating expenses	19	(10,814,508)	(6,640,543)
Operating (loss) profit	18	**(2,008,249)**	**3,285,750**
Finance costs	20	(7,319,357)	(2,900,190)
(Loss) profit before taxation		**(9,327,606)**	**385,560**
Taxation	23	955,662	(747,064)
Total comprehensive (loss) income for the year		**(8,371,944)**	**(361,504)**

The accounting policies on pages 16 to 27 and the notes on pages 28 to 46 form an integral part of the financial statements.

Statement of Changes in Equity

	Share capital TZS '000	Accumulated loss TZS '000	Total equity TZS '000
Balance at 01 January 2022	**18,396,000**	**(2,925,781)**	**15,470,219**
Loss for the year	-	(361,504)	(361,504)
Total comprehensive Loss for the year	**-**	**(361,504)**	**(361,504)**
Balance at 01 January 2023	**18,396,000**	**(3,287,282)**	**15,108,718**
Loss for the year	-	(8,371,944)	(8,371,944)
Total comprehensive Loss for the year	**-**	**(8,371,944)**	**(8,371,944)**
Balance at 31 December 2023	**18,396,000**	**(11,659,226)**	**6,736,774**
Note(s)	13		

The accounting policies on pages 16 to 27 and the notes on pages 28 to 46 form an integral part of the financial statements.

Statement of Cash Flows

	Note(s)	2023 TZS '000	2022 TZS '000
Cash flows from operating activities			
Cash used in operations	24	(48,629,092)	(18,507,437)
Tax paid	25	(437,408)	(447,393)
Net cash from operating activities		**(49,066,500)**	**(18,954,830)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(29,038,223)	(19,627,383)
Acquisition of right-of-use asset	4	(23,491)	(6,543,884)
Net cash from investing activities		**(29,061,714)**	**(26,171,267)**
Cash flows from financing activities			
Movement in loan from group companies		15,600,000	(800,000)
Movement on bank loans		54,000,000	(3,300,000)
Movement on shareholders loan		3,665,220	42,927,030
Movement in lease liabilities		(354,322)	(21,269)
IFRS 16 adjustments on change of terms		177,162	-
Finance costs		(7,319,357)	(2,900,190)
Net cash from financing activities		**65,768,703**	**35,905,571**
Total cash movement for the year		**(12,359,511)**	**(9,220,526)**
Cash at the beginning of the year		(6,967,774)	2,252,752
Total cash at end of the year	8	**(19,327,285)**	**(6,967,774)**

The accounting policies on pages 16 to 27 and the notes on pages 28 to 46 form an integral part of the financial statements.

Accounting Policies

Corporate information

Wilmar Rice Tanzania Limited is a private limited company incorporated and domiciled in United Republic of Tanzania.

1. Significant accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act 2002.

The financial statements have been prepared on the historic cost convention, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings (TZS), which is the company's functional currency, rounded to the nearest thousand.

These accounting policies are consistent with the previous period.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when 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.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Useful life
Buildings	Straight line	20 years

Accounting Policies

1.2 Property, plant and equipment (continued)

Plant and machinery	Straight line	20/15/14/5/3 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	5/4/3 years
Electric equipment	Straight line	15 years
Tank and piping	Straight line	20/15 years
Tool and equipment	Straight line	15/8 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 29 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

Accounting Policies

1.3 Financial instruments (continued)

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Accounting Policies

1.3 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from group companies (note 11), loans from shareholders (note 9) and bank loans (note 10) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 20.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 29 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.3 Financial instruments (continued)

Derecognition

Financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.4 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.4 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.5 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Accounting Policies

1.5 Tax (continued)

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 18) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 20).

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

Accounting Policies

1.5 Tax (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

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.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Accounting Policies

1.6 Inventories (continued)

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

Accounting Policies

1.9 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 leave 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.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation as a result of a past event;
- 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.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

Accounting Policies

1.11 Revenue from contracts with customers

The company recognises revenue from the following major sources:
- Sales of rice - wholesale and retail
- Sales of bran - wholesale and retail
- Transportation service

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:
- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The effective date of the amendment is for years beginning on or after 01 January 2023.

The company has adopted the amendment for the first time in the 2023 financial statements.

The impact of the amendment is not material.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2024 or later periods:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The standard sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The effective date of the standard is for years beginning on or after 01 January 2024.

The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

IFRS S2 Climate-related Disclosures

The standard sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The effective date of the standard is for years beginning on or after 01 January 2024.

The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

Lease Liability in a Sale and Leaseback: Amendments to IFRS 16

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Supplier Finance Arrangements: Amendments to IAS 7 and IFRS 7

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The effective date of the amendment is for years beginning on or after 01 January 2024.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Lack of Exchangeability: Amendments to IAS 21

The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Notes to the Financial Statements

2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 01 January 2025.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2024.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Notes to the Financial Statements

3. Property, plant and equipment

Summary of property, plant and equipment

	2023			2022		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	18,829,507	(3,907,768)	14,921,739	18,829,507	(2,966,314)	15,863,193
Plant and machinery	21,767,434	(5,617,438)	16,149,996	21,756,543	(4,181,741)	17,574,802
Furniture and fixtures	96,583	(70,115)	26,468	89,583	(52,644)	36,939
Motor vehicles	2,238,335	(1,712,931)	525,404	2,238,335	(1,258,407)	979,928
Office equipment	411,397	(62,110)	349,287	447,045	(32,053)	414,992
IT equipment	445,798	(74,390)	371,408	113,817	(33,691)	80,126
Electric equipment	4,915,078	(1,351,989)	3,563,089	4,915,077	(1,024,328)	3,890,749
Tanks and piping	3,145,725	(642,983)	2,502,742	3,145,725	(485,117)	2,660,608
Capital - Work in progress	45,695,060	-	45,695,060	17,006,707	-	17,006,707
Total	**97,544,917**	**(13,439,724)**	**84,105,193**	**68,542,339**	**(10,034,295)**	**58,508,044**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Buildings	15,863,193	-	-	(941,454)	14,921,739
Plant and machinery	17,574,802	10,890	-	(1,435,696)	16,149,996
Furniture and fixtures	36,939	7,000	-	(17,471)	26,468
Motor vehicles	979,928	-	-	(454,524)	525,404
Office equipment	414,992	-	(35,648)	(30,057)	349,287
IT equipment	80,126	331,980	-	(40,698)	371,408
Electric equipment	3,890,749	-	-	(327,660)	3,563,089
Tanks and piping	2,660,608	-	-	(157,866)	2,502,742
Capital - Work in progress	17,006,707	28,688,353	-	-	45,695,060
	58,508,044	**29,038,223**	**(35,648)**	**(3,405,426)**	**84,105,193**

4. Right-of-use asset

Cost		
Opening balance	7,908,320	1,364,436
Additions	23,491	6,543,884
Change of terms	(141,511)	-
	7,790,300	**7,908,320**
Accumulated amortisation		
Opening balance	(204,665)	(136,444)
Amortisation - Leased	(68,222)	(68,222)
	(272,887)	**(204,666)**

Notes to the Financial Statements

4. Right-of-use asset (continued)

Carrying value		
Opening balance	7,703,655	1,227,992
Additions	23,491	6,543,884
Amortisation - Leased	(68,222)	(68,222)
Other changes, movements	(141,511)	-
	7,517,413	**7,703,654**

The company entered into a lease agreement with a related party for a period of 20 years expiring in December 2039. The lease has been accounted for in accordance with the provisions of IFRS 16.

Depreciation charge on the right-of-use asset is at straight-line over the 20 years lease term. The amortization for the period ended 31 December 2023 has been accounted for under the statement of profit or loss and other comprehensive income.

Class	Opening balance	Change of terms	Additions	Amortisation	Carrying value
Right-of-use asset	7,703,655	(141,511)	23,491	(68,222)	7,517,413

5. Lease liabilities

Lease liabilities

Within one year	18,220	41,434
Two to five years	102,824	197,932
More than five years	828,994	1,064,994
Present value of minimum lease payments	**950,038**	**1,304,360**
Non-current liabilities	931,818	1,262,926
Current liabilities	18,220	41,434
	950,038	**1,304,360**

The company entered into a lease agreement with a related party for a period of 20 years expiring in December 2039. The lease has been accounted for in accordance with the provisions of IFRS 16.

Interest is charged on the lease liability at the average incremental borrowing rate of the company i.e. 13.4% per annum. Interest charged for the period ended 31 December 2023 has been accounted for under the statement of profit or loss and other comprehensive income.

Other expenses related to short term leases during the period ended 31 December 2023 are TZS 312,547,000 which are expensed directly.

Class	Opening balance	Interest	Payments	Adjustment: Change of terms	Closing balance
Lease liabilities	1,304,360	96,920	(141,543)	(309,699)	950,038

Notes to the Financial Statements

6. Deferred tax

Deferred tax asset / (liability)	-	(1,382,672)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(1,382,672)	(1,078,208)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	-	(293,804)
Taxable / (deductible) temporary difference movement on tangible fixed assets	-	(129,538)
Taxable / (deductible) temporary difference on provision	-	(6,176)
Taxable / (deductible) temporary difference on IFRS 16	-	22,162
Taxable / (deductible) temporary difference on forex differences	-	102,892
De-recognition	1,382,672	-
	-	**(1,382,672)**

No provision for deferred tax is made as company has no prospects of recovering tax losses in the foreseeable future.

7. Trade and other receivables

Financial instruments:		
Trade receivables	2,690,699	1,601,160
Other receivable	767,598	102,860
Non-financial instruments:		
VAT	10,566	-
Employee costs in advance	300	2,100
Prepayments	219,071	227,136
Total trade and other receivables	**3,688,234**	**1,933,256**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	3,458,297	1,704,020
Non-financial instruments	229,937	229,236
	3,688,234	**1,933,256**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	29,117	29,949
Bank balances	713,420	2,243,999
Bank overdraft	(20,069,822)	(9,241,722)
	(19,327,285)	**(6,967,774)**

Current assets	742,537	2,273,948
Current liabilities	(20,069,822)	(9,241,722)
	(19,327,285)	**(6,967,774)**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

8. Debt instruments at fair value through other comprehensive income (continued)

The overdraft facility with National Bank of Commerce Limited is secured, charged interest of 4.75% above T-Bill rate with expiry date of 15 February 2024.

The overdraft facility with Standard Chartered Bank Tanzania Limited is secured, charged interest of 182-days T-Bill rate plus 3.5% with expiry date of 31 August 2024 renewable annually.

9. Shareholders loan

	2023 TZS '000	2022 TZS '000
Loan from Wilmar Tanzania PTE Limited	46,592,250	42,927,030

The loan is unsecured, charged interest at 6-months SOFR + 4.25% per annum and repayable by 31 December 2024.

10. Bank loans

	2023 TZS '000	2022 TZS '000
At amortised cost		
Term Loan These are secured short term loans, each repayable within 90 days from date of drawdown and charged interest at 182-days T-bill plus 4% per annum.	70,000,000	16,000,000
Split between non-current and current portions		
Current liabilities	70,000,000	16,000,000

11. Loans from group companies

	2023 TZS '000	2022 TZS '000
Held at amortised cost		
Elland Road Limited Unsecured loan at an interest rate of 182 days T-bill +3.5%. The loan is to be settled by 09 August 2024.	250,000	-
Tanzania Liquids Storage Company Limited Unsecured loan at an interest rate of 182 days T-bill +3.5%. The loan is to be settled by 15 March 2025.	800,000	-
VOT (Tanzania) Limited Unsecured loan at an interest rate of 182 days T-bill +3.5%. The loan is to be settled by 01 April 2025.	3,550,000	-
Wilmar Tanzania Limited Unsecured loan at an interest rate of 182 days T-bill +3.5%. The loan is to be settled by 23 March 2024.	9,000,000	-
Wilmar Pasta Tanzania Limited Unsecured loan at an interest rate of 182 days T-bill +3.5%. The loan is to be settled by 28 September 2024.	2,000,000	-
	15,600,000	**-**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

11. Loans from group companies (continued)

Split between non-current and current portions

Non-current liabilities	4,350,000	-
Current liabilities	11,250,000	-
	15,600,000	**-**

12. Trade and other payables

Financial instruments:		
Trade payables	-	140,971
Amount due to related parties	2,113,529	753,215
Accrued audit fees	47,414	40,867
Other accrued expenses	1,756,661	1,998,732
Deposits received	-	180,000
Other payables	3,231,218	456,965
Non-financial instruments:		
Amounts received in advance	424,304	672,762
VAT	-	2,486
	7,573,126	**4,245,998**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	7,148,822	3,573,236
Non-financial instruments	424,304	672,762
	7,573,126	**4,245,998**

13. Share capital

Authorised		
73,000 Ordinary shares of TZS 1,000,000/- each	73,000,000	73,000,000
Issued		
18,396 Ordinary shares of TZS 1,000,000/- each	18,396,000	18,396,000

14. Inventories

Raw materials (Paddy)	50,295,300	12,790,679
Rice	17,683,746	2,836,006
Packing material	940,383	1,104,026
Engineering material	2,524,694	3,016,659
Other supplies	34,365	64,478
	71,478,488	**19,811,848**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

15. Revenue

	2023 TZS '000	2022 TZS '000
Revenue from contracts with customers		
Rice sales	85,057,502	87,919,074
Transport income	297,858	224,685
	85,355,360	**88,143,759**

16. Cost of sales

	2023 TZS '000	2022 TZS '000
Sale of goods	6,910,489	4,530,724
Rendering of services	219,182	243,583
Manufactured goods:		
Raw materials consumed	64,606,008	68,125,881
Employee costs	713,916	843,570
Depreciation and impairment	2,431,305	2,263,245
Manufacturing expenses	1,888,433	2,586,709
	76,769,333	**78,593,712**

17. Other operating income

	2023 TZS '000	2022 TZS '000
Other income	46,686	31,112
Adjustment relating to IFRS 16	173,546	-
Forex differences	-	345,134
	220,232	**376,246**

18. Operating profit (loss)

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

	2023 TZS '000	2022 TZS '000
Auditor's remuneration		
Audit fees	49,381	40,867
Adjustment for previous year	-	4,356
	49,381	**45,223**
Remuneration, other than to employees		
Consulting and professional services	748,831	1,207,799

Employee costs

	2023 TZS '000	2022 TZS '000
Salaries, wages, bonuses and other benefits	1,506,145	1,762,643
Allowances	282,862	286,519
Other short-term benefits	-	7,338
Pension fund - company contribution	149,211	163,146
Total employee costs	**1,938,218**	**2,219,646**
Less: Employee costs included in cost of goods sold and inventories	(713,916)	(843,570)
Total employee costs expensed	**1,224,302**	**1,376,076**

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000
18. Operating profit (loss) (continued)		
Depreciation and amortisation		
Depreciation of property, plant and equipment	3,405,426	3,282,962
Amortisation of right-of-use assets	68,221	95,144
Total depreciation and amortisation	**3,473,647**	**3,378,106**
Less: Depreciation and amortisation included in cost of goods sold and inventories	(2,431,305)	(2,263,245)
Total depreciation and amortisation expensed	**1,042,342**	**1,114,861**

19. Operating expenses

	2023 TZS '000	2022 TZS '000
Auditor's remuneration	49,381	45,223
Bank charges	80,651	267,967
Cleaning and fumigation	98,884	14,908
Consulting and professional fees	748,831	1,207,799
Depreciation, amortisation and impairments	1,042,342	1,114,861
Employee costs	1,224,302	1,376,076
Entertainment	640	-
Licence and fees	27,204	73,215
Other expenses	114,429	28,003
Food expenses	82,238	69,223
Other office expenses	143,615	37,876
Weighbridge expenses	-	17,928
Fines and penalties	570	1,090
Safety	124,648	152,259
Insurance	159,164	237,652
Lease rentals on operating lease	205,014	177,540
Levies	283,799	264,762
Water charges	19,426	1,447
Motor vehicle running expenses	60,679	124,633
Postage	300	2,809
Repairs and maintenance	154,413	522,424
Forex exchange differences	5,630,963	485,339
Security	306,953	166,960
Staff welfare	4,436	-
Subscriptions	3,375	1,782
Telephone and fax	53,048	42,585
Training	11,976	-
Transport and freight	7,062	2,928
Travel - local	176,165	203,254
	10,814,508	**6,640,543**

20. Finance costs

	2023 TZS '000	2022 TZS '000
Interest charge - loans and overdraft	7,222,437	2,796,708
Interest - lease liability	96,920	103,482
Total finance costs	**7,319,357**	**2,900,190**

Notes to the Financial Statements

21. Employee costs

	2023 TZS '000	2022 TZS '000
Direct employee costs		
Salaries, wages and other benefits	425,208	510,170
Bonus	129,862	163,247
Medical aid - company contributions	22,621	1,879
Workers Compensation Fund	9,467	3,056
Skills and Development Levy	10,068	22,502
Allowances	70,094	79,141
Other short-term benefits	-	7,338
Pension fund - company contribution	46,596	56,237
	713,916	**843,570**
Indirect employee costs		
Salaries, wages and other benefits	860,938	782,840
Bonus	(18,336)	172,887
Medical aid - company contributions	23,076	42,997
Workers Compensation Fund	17,429	4,060
Skills and Development Levy	25,812	59,005
Allowances	212,768	207,378
Pension fund - company contribution	102,615	106,909
	1,224,302	**1,376,076**
Total employee costs		
Direct employee costs	713,916	843,570
Indirect employee costs	1,224,302	1,376,076
	1,938,218	**2,219,646**

22. Depreciation, amortisation and impairment losses

	2023 TZS '000	2022 TZS '000
Depreciation		
Property, plant and equipment	974,121	1,019,717
Amortisation		
Right-of-use assets	68,221	95,144
Total depreciation, amortisation and impairment		
Depreciation	974,121	1,019,717
Amortisation	68,221	95,144
	1,042,342	**1,114,861**

Notes to the Financial Statements

23. Taxation

Major components of the tax expense (income)

	2023 TZS '000	2022 TZS '000
Current		
Local income tax - current period	427,010	442,600
Deferred		
Other deferred tax	(1,382,672)	304,464
	(955,662)	**747,064**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2023 TZS '000	2022 TZS '000
Accounting profit (loss)	(9,327,606)	385,560
Tax at the applicable tax rate of 30% (2022: 30%)	(2,798,282)	115,668
Tax effect of adjustments on taxable income		
Permanent differences	741,730	47,705
Alternate Minimum Tax	427,010	442,600
Over provision in prior year's deferred tax	49,424	141,091
Temporary difference	676,520	-
Non-taxable income	(52,064)	-
	(955,662)	**747,064**

A provision of TZS 427,010,000 has been made for 2023 based on 0.5% of taxable turnover due to unrelieved losses. The estimated tax loss available for set off against future taxable income is TZS 13,546,909,000 (2022: TZS 8,945,021,000).

The normal procedure for agreeing final income tax liability in Tanzania involves the company filing its final income tax returns with the Tanzania Revenue Authority (TRA) followed by the TRA performing their own review of the company's submissions and issuing their notice of income tax assessments to the company. The final income tax liability as determined by TRA after their review may differ from the liability determined by the company and procedures are in place for the company to object and appeal against such assessments. It is common that a time frame from the company's own submission of its final tax returns and TRA performing their review and issuing of notice of final tax assessment may take several months or years.

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

24. Cash used in operations

Profit (loss) before taxation	(9,327,606)	385,560
Adjustments for:		
Depreciation and amortisation	3,473,647	3,378,106
Finance costs	7,319,357	2,900,190
Changes in working capital:		
Inventories	(51,666,640)	1,761,795
Trade and other receivables	(1,754,978)	3,315,406
Trade and other payables	3,327,128	(30,248,494)
	(48,629,092)	**(18,507,437)**

25. Tax paid

Balance at beginning of the year	(20,253)	(25,046)
Current tax for the year recognised in profit or loss	(427,010)	(442,600)
Balance at end of the year	9,855	20,253
	(437,408)	**(447,393)**

26. Contingencies

The directors are of the opinion that there are no contingent liabilities as at the year end.

Notes to the Financial Statements

27. Related parties

Relationships

Sister companies	Wilmar Tanzania Limited
	Elland Road Limited
	Wilmar Pasta Tanzania Limited
	VOT (Tanzania) Limited
	Tanzania Liquids Storage Company Limited
Holding company	Wilmar Tanzania PTE Ltd

Related party balances

	2023 TZS '000	2022 TZS '000
Loans from related parties		
Wilmar Tanzania PTE Ltd	42,744,155	42,927,030
Wilmar Tanzania Limited	9,000,000	-
Elland Road Limited	250,000	-
Wilmar Pasta Tanzania Limited	2,000,000	-
VOT (Tanzania) Limited	3,550,000	-
Tanzania Liquids Storage Company Limited	800,000	-
Amounts included in trade and other payables regarding related parties		
Wilmar Tanzania Limited	138,469	788,494
Wilmar Pasta Tanzania Limited	18,894	-
VOT (Tanzania) Limited	34,404	-
Elland Road Limited	3,332	-
Tanzania Liquids Storage Company Limited	8,650	-
Wilmar Tanzania PTE Ltd	1,790,583	-
Amounts included in trade and other receivables regarding related parties		
Wilmar Tanzania Limited	1,105	4,583
Kbk Chem-Engineeering PVT Ltd	1,802,932	-

Related party transactions

	2023 TZS '000	2022 TZS '000
Interest paid to related parties		
Elland Road Limited	30,058	51,333
VOT (Tanzania) Limited	331,114	85,167
Wilmar Tanzania Limited	688,381	51,890
Wilmar Tanzania PTE Ltd	4,184,021	2,008,429
Wilmar Pasta Tanzania Limited	61,715	-
Tanzania Liquids Storage Company Limited	46,285	-
Sales - including services rendered to (purchase - including rental charges and services received from) related parties		
Wilmar Pasta Tanzania Limited	-	(1,219)
PT Wilmar Consultancy Services	54,001	-
Wilmar Tanzania Limited	1,810,552	1,447,306
Wilmar Pasta Tanzania Limited	-	903
Wilmar GBS Sdn Bhd	126,340	293,132

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000
27. Related parties (continued)		
Wilmar Trading (Hong Kong) Limited	-	136,363
Wilmar International Limited	442,481	175,449
Wilmar Riceland Trading Pte Ltd	-	(204,388)
Wilmar Africa Limited	-	37,119
Wilmar Pte Ltd	-	3,132
Wilmar Ghana Properties Limited	-	1,870
JOSO-Wilmar Trading (Kenya) Limited	182,357	-
Raffles Shipping International PTE Ltd	788,121	-
Wilmar Rice Trading PTE Ltd	22,156,784	-

28. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

29. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2023

	Note(s)	Amortised cost	Total
Trade and other receivables	7	3,458,297	3,458,297
Bank balance	8	713,420	713,420
		4,171,717	**4,171,717**

2022

	Note(s)	Amortised cost	Total
Trade and other receivables	7	1,704,020	1,704,020
Bank balance	8	2,243,999	2,243,999
		3,948,019	**3,948,019**

2023 TZS '000
2022 TZS '000

29. Financial instruments and risk management (continued)

Categories of financial liabilities

2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	7,148,822	-	7,148,822
Loans from shareholders		46,592,250	-	46,592,250
Loans from group companies	11	15,600,000	-	15,600,000
Lease liabilities	5	-	950,038	950,038
Bank loans	10	70,000,000	-	70,000,000
Bank overdraft	8	20,069,822	-	20,069,822
		159,410,894	**950,038**	**160,360,932**

2022

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	3,570,750	-	3,570,750
Loans from shareholders		42,927,030	-	42,927,030
Lease liabilities	5	-	1,304,360	1,304,360
Bank loans	10	16,000,000	-	16,000,000
Bank overdraft	8	9,241,722	-	9,241,722
		71,739,502	**1,304,360**	**73,043,862**

TZS '000

29. Financial instruments and risk management (continued)

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	3,688,234	-	3,688,234	1,933,256	-	1,933,256
Bank balance	8	713,420	-	713,420	2,243,999	-	2,243,999
		4,401,654	**-**	**4,401,654**	**4,177,255**	**-**	**4,177,255**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2023

		Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-current liabilities						
Loan from group companies	11	-	4,350,000	-	-	4,350,000
Lease liabilities		-	20,817	82,007	828,994	931,818
Current liabilities						
Trade and other payables		7,148,822	-	-	-	7,148,822
Loans from shareholders		46,592,250	-	-	-	46,592,250
Loan from group companies	11	11,250,000	-	-	-	11,250,000
Bank loans	10	70,000,000	-	-	-	70,000,000
Lease liabilities		18,220	-	-	-	18,220

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

29. Financial instruments and risk management (continued)

Bank overdraft	8	20,069,822	-	-	-	20,069,822
		(155,079,114)	**(4,370,817)**	**(82,007)**	**(828,994)**	**(160,360,932)**

2022

	Note	Less than 1 year	2 to 5 years	Over 5 years	Total
Non-current liabilities					
Lease liabilities		-	197,932	1,064,994	1,262,926
Current liabilities					
Trade and other payables	12	3,570,750	-	-	3,570,750
Loans from shareholders		42,927,030	-	-	42,927,030
Bank loans	10	16,000,000	-	-	16,000,000
Lease liabilities		41,434	-	-	41,434
Bank overdraft	8	9,241,722	-	-	9,241,722
		(71,780,936)	**(197,932)**	**(1,064,994)**	**(73,043,862)**

Foreign currency risk

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

30. Comparative figures

Where necessary, comparative figures have been reclassified to confirm to change in presentation in the current year.

31. Going concern

We draw attention to the fact that as at 31 December 2023, the company had accumulated losses of TZS 11,659,226,000 and that the company's current liabilities exceed its current assets by TZS 79,604,014,000.

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

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

The shareholders have confirmed continued financial support to the company so as to ensure that it remains a going concern for the foreseeable future.

The fact that the current liabilities exceed current assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

Notes to the Financial Statements

	2023 TZS '000	2022 TZS '000

32. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.