

**RUTUBA TANZANIA LTD.  
P. O. BOX 534,  
IRINGA**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2022**

**AUDITORS:  
H. A. PATWA & CO.  
Certified Public Accountants in Public Practice  
P. O. Box 4509,  
DAR ES SALAAM.**

**RUTUBA TANZANIA LTD.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST OCTOBER 2022**

<b>CONTENTS</b>	<b>Page No.</b>
Company Information	1
Directors' Report	2
Declaration of the Head of Accounting	3
Report of the Auditors	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 13

**RUTUBA TANZANIA LTD.**

**CORPORATE INFORMATION**

Board of Directors : Janet Mary Ulyate - Kenyan  
: Otto Zoroaster Ulyate - Kenyan  
: Robert Clive Ash Nethersole - Zimbabwean  
: Ben Edwin Moshi - Tanzanian

Registered Office : Plot No 99/66,  
: Zanaki / Indira Gandhi Street  
: P. O. Box 4509,  
: Dar es Salaam,  
: Tanzania.

Auditors : H. A. Patwa & Co.  
: Certified Public Accountants in Public Practice  
: P. O. Box 4509,  
: Dar es Salaam,  
: Tanzania.

Principal Bankers : CRDB Bank Limited  
: Mkwawa Branch  
: P.O. Box 534,  
: Iringa  
: Tanzania.

: NMB Bank Limited  
: Mawambala Branch  
: P.O. Box 605,  
: Iringa  
: Tanzania.

**RUTUBA TANZANIA LIMITED.**

**DIRECTORS' REPORT**

1. The directors present their report and the audited financial statements for the year ended 31<sup>st</sup> October 2022.
2. **ACTIVITIES**  
The principal activity of the company is farming and livestock breeding.
3. **SOLVENCY AND DIVIDENDS**  
The company's state of affairs is set out on page 6 of these financial statements.
4. **MARKET VALUE OF FIXED ASSETS**  
The company's assets are included in the balance sheet at historical cost and in the opinion of the directors, the market value of these assets exceed their net book value.
5. **DIRECTORS**  
The directors who served the company during the year were as shown on page 1 of these financial statements.
6. **DIRECTORS' RESPONSIBILITIES**  
The directors are required under the Tanzania's Companies Act 2002 to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profits and cash flows for that year.  
  
The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended to 31<sup>st</sup> October 2022.  
  
The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Tanzania's Companies Act 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.
7. **AUDITORS**  
The directors intend to retain H. A. Patwa and Company, a firm of Certified Public Accountants in Public Practice as auditors of the company for the next financial year.

**BY ORDER OF THE BOARD**

  
**DIRECTOR**

DATE: 24/04/2023


**DECLARATION OF THE HEAD OF ACCOUNTING OF  
RUTUBA 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, JAMES D. AKOND being the Head of Finance/Accounting of Rutuba Tanzania Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 5 to 13 for the year ended 31<sup>st</sup> October 2022 have been prepared in compliance with the applicable accounting standards and statutory requirements.

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

Signed by: 

Position: Accountant

NBAA Membership No.: ACPA 3561

Date: 25/04/2023



# H. A. PATWA & CO.

Certified Public Accountants in Public Practice

## INDEPENDENT AUDITORS' REPORT To the shareholders of Rutuba Tanzania Limited Report on the Audit of Financial Statements

### 1. Opinion

We have audited the financial statements of Rutuba Tanzania Limited which comprises of statement of financial position as at 31<sup>st</sup> October 2022 and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, and the notes to the financial statement.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position as at 31<sup>st</sup> October 2022 and of its financial performance and cash flows for the year ended 31<sup>st</sup> October 2022 and comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs) for Small and Medium Sized Entities (SME's)

### 2. Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the paragraph 5 of the report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Emphasis of Matter

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

### 4. Responsibilities of Management and those charged with Governance for the Financial Statements

As described in paragraph 6 of the director's report, the company's directors are responsible for the preparation of the financial statements.

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

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

For: H.A. Patwa & Co  
Certified Public Accountants in Public Practice

Hamzaali A. Patwa  
Proprietor  
(FCPA-088)

Place: Dar es Salaam  
Date: 25/04/2023.

4



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**RUTUBA TANZANIA LTD.**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST OCTOBER 2022**

	Note	2022 Tzs	2021 Tzs
Revenue	8	5,151,606,201	4,207,501,660
Add: Closing stock at 31st October	5	463,050,000	558,919,439
Less: Opening stock of crops held at 1st November		<u>(558,919,439)</u>	<u>(398,000,000)</u>
		5,055,736,762	4,368,421,099
Direct expenses	19	<u>(2,259,669,830)</u>	<u>(1,292,731,008)</u>
		2,796,066,933	3,075,690,090
Other Income	14	-	126,215,859
Administrative	20	(2,331,908,523)	(2,279,428,370)
Finance	21	(435,318,249)	(226,024,721)
Depreciation	4	<u>(418,481,531)</u>	<u>(545,188,059)</u>
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	2	(389,641,370)	151,264,800
Taxation	3	<u>113,165,781</u>	<u>130,116,439</u>
<b>(LOSS) / PROFIT AFTER TAXATION</b>		<u><u>(276,475,589)</u></u>	<u><u>281,381,238</u></u>

**RUTUBA TANZANIA LTD.**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31ST OCTOBER 2022**

	Note	2022 Tzs	2021 Tzs
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, plant & equipment	4	<u>1,949,321,885</u>	<u>2,304,064,185</u>
<b>INVESTMENT</b>			
Avacado Project	15	<u>1,633,615,560</u>	<u>1,624,090,935</u>
<b>CURRENT ASSETS</b>			
Inventories	5	2,360,690,775	2,649,100,875
Receivables and prepayments	6	1,290,168,026	1,110,433,707
Taxation		111,865,446	110,845,079
Cash and cash equivalents	11	<u>431,791,147</u>	<u>85,510,967</u>
		<u>4,194,515,394</u>	<u>3,955,890,628</u>
<b>TOTAL ASSETS</b>		<u><b>7,777,452,839</b></u>	<u><b>7,884,045,748</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	100,500,000	100,500,000
Accumulated profit	9	1,924,650,145	2,349,811,543
Shareholders fund	13	<u>2,319,103,825</u>	<u>2,021,541,060</u>
		<u>4,344,253,970</u>	<u>4,471,852,603</u>
<b>LONG TERM LIABILITY</b>			
Loan	18	450,938,194	785,659,776
Loan from NMB	17	712,484,700	400,000,000
Bank Overdraft	17	<u>259,752,733</u>	<u>746,270,305</u>
		<u>1,423,175,627</u>	<u>1,931,930,081</u>
<b>CURRENT LIABILITIES</b>			
Payable and accruals	10	1,734,431,797	1,091,505,838
Deffered tax liability	12	<u>275,591,445</u>	<u>388,757,227</u>
		<u>2,010,023,242</u>	<u>1,480,263,065</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><b>7,777,452,839</b></u>	<u><b>7,884,045,748</b></u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 24/04/2023 and were signed on its behalf by:

Signature:

Mrs. Janet M. Ulvate

Signature:

Mr. Otto Zoroaster Ulvate

**RUTUBA TANZANIA LTD.****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST OCTOBER 2022**

	<b>Share capital</b>	<b>Accumulated profit</b>	<b>Total equity</b>
	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>
<b>2022</b>			
Balance 1st November 2021	100,500,000	2,237,167,935	2,337,667,935
Prior year taxes	-	(148,685,809)	(148,685,809)
Net profit for the year		(276,475,589)	(276,475,588)
Previous year tax liability			-
Balance 31st October 2022	<u>100,500,000</u>	<u>1,812,006,537</u>	<u>1,912,506,538</u>
<b>2021</b>			
Balance 1st November 2020	100,500,000	2,068,430,304	2,168,930,304
Prior year taxes	-	-	-
Net profit for the year		168,737,631	168,737,631
Previous year tax liability			-
Balance 31st October 2021	<u>100,500,000</u>	<u>2,237,167,935</u>	<u>2,337,667,935</u>

**RUTUBA TANZANIA LTD.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST OCTOBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit	(389,641,370)	151,264,800
Adjustment for:		
Depreciation	418,481,531	545,188,059
Operating profit before working capital changes	<u>28,840,161</u>	<u>696,452,858</u>
Working capital changes		
Stock	288,410,100	(455,381,771)
Debtors	(179,734,319)	79,076,755
Creditors and bank overdraft	642,925,959	535,059,264
	<u>751,601,740</u>	<u>158,754,248</u>
Less: Taxation paid	<u>149,706,176</u>	<u>1,076,118</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u><u>630,735,725</u></u>	<u><u>854,130,988</u></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	63,739,231	339,335,472
Avacado project	9,524,625	565,357,896
<b>NET CASH FLOW AFTER INVESTING ACTIVITIES</b>	<u><u>73,263,856</u></u>	<u><u>904,693,368</u></u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Shareholders loan	297,562,765	(2,785,165)
Loan from Seedco T Limited	(334,721,582)	(228,692,361)
Share issued	-	-
Loan from NMB	(174,032,872)	338,855,338
	<u>(211,191,689)</u>	<u>107,377,812</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u><u>346,280,180</u></u>	<u><u>56,815,432</u></u>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance 1st November	85,510,967	28,695,535
Balance 31st October	<u>431,791,147</u>	<u>85,510,967</u>
	<u><u>346,280,180</u></u>	<u><u>56,815,432</u></u>

## RUTUBA TANZANIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended to 31<sup>st</sup> October 2022

#### 1. PRINCIPAL ACCOUNTING POLICIES

**a) Accounting Convention**

The financial statements are prepared in accordance with the historical cost convention.

**b) Going Concern**

The directors of the company have expressed their willingness to continue with the business for the foreseeable future.

**c) Revenue Recognition**

Revenue comprises the invoiced value of agricultural, livestock and dairy produce sold during the year end.

**d) Inventories:**

Inventories comprise of farm inputs, harvested crop and livestock. Farm inputs are valued at the lower of cost or net realizable value. Agricultural produce and live stock is valued at the estimated net realizable value.

**e) Fixed assets and Depreciation**

These comprise of property, plant and equipment. These are stated at their written down values. Depreciation is calculated on a straight-line method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Farm machinery, tractors and equipments	25.0
Motor Vehicles	25.0
Furniture, fittings & bicycle	12.5
Computer	33.3

**f) Taxation**

Taxation is provided on the basis of the results for the year as shown in the Financial Statements adjusted in accordance with the tax legislation. Provision for deferred tax is made to recognize asset/liability arising from timing difference.

#### 2. PROFIT BEFORE TAXATION

	2022 Tzs	2021 Tzs
This is arrived at after charging:		
Depreciation	418,481,531/-	545,188,059/-
Audit and accountancy fees	12,350,000/-	12,400,000/-
Director remunerations	<u>547,602,610/-</u>	<u>505,611,638/-</u>

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2022**

				<b>2022</b>	<b>2021</b>
				<b>Tzs</b>	<b>Tzs</b>
<b>3. TAXATION</b>					
Tax + interest for the year and previous years				-	-
Deferred tax (note 12)				(113,165,781)	(130,116,439)
				<u>(113,165,781)</u>	<u>(130,116,439)</u>
Tax computation upto 2019 has been agreed with Income tax department.					
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>					
Cost:	<b>Land and Buildings</b>	<b>Farm, machinery &amp; Equipmets</b>	<b>Motor Vehicle &amp; Bicycle</b>	<b>Tractors</b>	<b>Total</b>
	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>
Balance 1st Nov 2021	772,284,590	6,112,971,066	365,605,470	269,472,116	7,520,333,242
Additions during the year	33,470,587	30,268,644	-	-	63,739,231
Balance 31st Oct 2022	<u>805,755,177</u>	<u>6,143,239,710</u>	<u>365,605,470</u>	<u>269,472,116</u>	<u>7,584,072,473</u>
Depreciation:					
Balance 1st Nov 2021	76,095,847	4,532,616,373	350,136,081	257,420,755	5,216,269,057
Charge for the period	9,619,767	402,003,451	3,829,847	3,028,465	418,481,531
Balance 31st Oct 2022	<u>85,715,615</u>	<u>4,934,619,824</u>	<u>353,965,928</u>	<u>260,449,221</u>	<u>5,634,750,588</u>
WDV on 31st Oct 2022	<u>720,039,562</u>	<u>1,208,619,886</u>	<u>11,639,542</u>	<u>9,022,895</u>	<u>1,949,321,885</u>
WDV on 31st Oct 2021	<u>696,188,742</u>	<u>1,580,354,693</u>	<u>15,406,889</u>	<u>12,113,861</u>	<u>2,304,064,185</u>
				<b>2022</b>	<b>2021</b>
<b>5. INVENTORIES</b>				<b>Tzs</b>	<b>Tzs</b>
Chemical and fertilizers				1,535,552,365	1,768,533,367
Diesel				29,788,410	45,348,070
Livestock (Note 16)				332,300,000	276,300,000
Maize, seeds and barley harvest in stock				248,000,000	212,339,500
Avocado				215,050,000	346,579,939
				<u>2,360,690,775</u>	<u>2,649,100,875</u>
<b>6. RECEIVABLES AND PREPAYMENTS</b>					
Receivables				1,267,738,121	1,100,064,730
Related party balance				-	-
Prepayments				629,100	47,464
Staff loan				21,800,805	10,321,513
				<u>1,290,168,026</u>	<u>1,110,433,707</u>
<b>7. SHARE CAPITAL</b>					
Authorised capital					
1500 shares at Shs.100,000 /= each				<u>150,000,000</u>	<u>150,000,000</u>
Issued and fully paid up capital					
1,005 shares of Shs.100,000 /= each				<u>100,500,000</u>	<u>100,500,000</u>
<b>8. REVENUE SEGMENT ANALYSIS</b>					
Agricultural				4,779,029,794	3,823,128,199
Livestock				-	9,200,000
Dairy				353,391,400	336,032,959
Other				19,185,007	39,140,502
				<u>5,151,606,201</u>	<u>4,207,501,660</u>

**RUTUBA TANZANIA LTD.**

**NOTES TO THE FINANCIAL STATEMENTS (Cont....)  
FOR THE YEAR ENDED 31ST OCTOBER 2022**

	2022 Tzs	2021 Tzs
<b>9. ACCUMULATED PROFIT</b>		
Balance brought forward	2,349,811,543	2,068,430,304
Tax audit liability 2019-2020	(148,685,809)	-
Profit for the period	(276,475,589)	281,381,238
Balance as at 31st Oct	<u>1,924,650,145</u>	<u>2,349,811,543</u>

**10. PAYABLES AND ACCRUALS**

Trade payables	395,196,873	158,874,668
Advances	1,269,330,474	900,378,013
Accruals	69,904,450	32,253,157
	<u>1,734,431,797</u>	<u>1,091,505,838</u>

**11. CASH AND CASH EQUIVALENT**

Cash in hand	1,663,643	456,799
Cash at bank	430,127,504	85,054,168
	<u>431,791,147</u>	<u>85,510,967</u>

**12. DEFERRED TAX**

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st January	388,757,228	518,873,667
Provision in the income statement (Note 3)	(113,165,781)	(130,116,439)
Balance as at 31st December	<u>275,591,446</u>	<u>388,757,228</u>

Deferred tax assets and liabilities and deferred tax charge attributable to the following items:

	Beginning	Charged to income statement	Charged to income statement
<u>Deferred tax liabilities</u>			
Accelerated capital allowances	458,722,526	(114,416,940)	344,305,586
Tax losses carried forward	(69,965,297)	1,251,159	(68,714,139)
	<u>388,757,228</u>	<u>(113,165,781)</u>	<u>275,591,447</u>

**13. SHAREHOLDERS FUND**

This comprise of funds taken for investment to meet the cost of setting up the farming business. The loan is interest bearing and is loaned by Rutuba Limited.

	2022 Tzs	2021 Tzs
<b>14. OTHER INCOME</b>		
Compensation from Seedco	-	57,129,517
Disposal of asset	-	69,086,342
	<u>-</u>	<u>126,215,859</u>

**15. AVACADO PROJECT**

Company has invested into Avacado project in the year 2016, expenses for the project is capitalized until harvesting is done and thereafter it will be charged to income statement.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2022**

**16. STOCK MOVEMENT OF LIVESTOCK**

	Quantities	Value	2022 Tzs Total	Quantities	2021 Tzs Total
<b>DAIRY ANIMALS</b>					
<b>Jerseys</b>					
Bulls	3	2,500,000	7,500,000	1	2,500,000
Cows	115	2,000,000	230,000,000	100	2,000,000
Bulling heifers	32	1,500,000	48,000,000	36	1,500,000
Young Heifers	35	1,200,000	42,000,000	9	1,200,000
Calves ( female )	16	300,000	4,800,000	30	300,000
<b>Totals</b>	<u>201</u>		<u>332,300,000</u>	<u>176</u>	<u>276,300,000</u>
<b>Total Livestock value</b>			<u>332,300,000</u>		<u>276,300,000</u>

**17. BANK OVERDRAFT AND TERM LOAN**

The company has the following facility with NMB Bank Limited

- Overdraft facility of Tzs 300m, Term loan Tzs 500m and Existing Term loan facility Tzs 400m

**Interest**

The borrower shall pay minimum interest of 9% per annum

The borrower shall pay 9% for Tshs Overdraft

**Security pledged for this facility to the NMB Bank Limited are as follows :**

-Legal mortgage over Rutuba Tanzania Ltd farm and landed properties within the farm on and registered in the name of Rutuba Tanzania Ltd. Located at Mawambala Village kilolo division in Iringa, Registered with C.T No: 7073

-Chattel mortgagae over 2 planters ( having capacity to plant 100 acres/day), Residue Manager, Combine Harvester (that can harvest 200 bags/day), Lime Spreader (with capacity of 10MT at a time), Tractors (Massey Ferguson Hp 250), Chemical Sprayer and Fertilizer Spreader, two silos.

-Personal Guarantee and Indemnity signed by Janet Ulyate and Otto Ulyate who are directors of the company.

-Subordination of shareholders loans totaling Tzs 2.072b to NMB loan.

-First charge debenture over the entire present and future assets of Rutuba T Ltd.

**18 LOAN**

This comprises of interest bearing loan received from Seedco Tz Ltd for purchases of irrigation equipment.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>19. PRODUCTION EXPENSES</b>		
Fertilizers and chemicals	1,678,262,681	657,432,543
Fuel expense	231,824,091	195,280,051
Laboratory Services	2,401,990	25,502,350
<b>Livestock expense</b>		
Livestock	87,823,042	103,464,830
Opening stock	276,300,000	308,300,000
Less: closing stock	(332,300,000)	(276,300,000)
Packaging materials	44,206,855	44,376,908
Seeds	128,050,000	105,100,000
Avocado expenses	143,101,171	129,574,326
	<u>2,259,669,830</u>	<u>1,292,731,008</u>
<b>20. ADMINISTRATIVE EXPENSES</b>		
Audit and accountancy fees	12,350,000	12,400,000
Agricultural machinery maintenance	85,533,858	65,048,533
Aircraft Expenses	6,380,304	9,304,846
Consultancy charges	8,610,003	30,865,263
Directors remuneration	547,602,610	505,611,638
District cess, Service Fees and TIC Fess	15,479,642	15,928,660
Donation	2,004,634	2,480,000
Electricity and Water charges	222,781,185	156,477,869
Fire and Rescue	9,695,000	14,770,000
Insurance	30,245,725	23,548,488
Irrigation and vehicle running expense	31,943,687	124,204,447
Land rent	1,516,000	1,516,000
Licenses and legal fees	5,450,000	-
Medical expenses	2,902,370	3,327,900
Miscellaneous expense	12,292,494	22,851,742
Partial Exemption Disallowed	71,176,108	75,295,358
Repairs and maintenance	3,948,500	12,755,305
Salaries and wages	1,019,800,498	898,339,800
Secretarial fees	9,678,500	12,764,500
Staff uniform	22,641,000	1,823,342
Staff welfare and training	16,023,417	23,645,000
Stationery and printing	4,654,358	6,776,590
Survey costs	-	-
Telephone, postage and internet	20,557,856	18,771,631
Transport charges	149,238,720	218,567,466
Travel expense	6,589,748	100,000
Work permit	6,535,650	14,418,700
Workers Compensation Fund	6,276,656	7,835,292
	<u>2,331,908,523</u>	<u>2,279,428,370</u>
<b>21. FINANCE COST</b>		
Bank charges	23,352,399	24,632,472
Realised / Unrealised exchange loss	9,019,027	(3,420,377)
Interest charged	402,946,823	204,812,626
	<u>435,318,249</u>	<u>226,024,721</u>

**TAX COMPUTATION  
YEAR OF INCOME 2022**

	Tzs	Tzs
<b>Loss as per accounts</b>		(389,641,370)
Add back:		
Depreciation	418,481,531	
Unrealised exchange loss	<u>6,991,717</u>	
		<u>425,473,248</u>
		35,831,878
<b>Less: Depreciation allowances</b>		<u>(31,661,348)</u>
<b>Profit for the year 2022</b>		4,170,530
<b>Loss brought forward from 2021</b>		<u>(233,217,658)</u>
<b>Loss to be carried forward to 2023</b>		<u>(229,047,129)</u>
 less : Tax Paid		
	Provisional tax paid	
	Withholding tax deducted	<u>1,020,366</u>
		<u>(1,020,366)</u>
<b>Tax repayable</b>		<u>(1,020,366)</u>

**CALCULATION OF INITIAL AND DEPRECIATION ALLOWANCE**

	Class 1 37.5%	Class 3 12.5%	Class 8 100%	TOTAL
Balance as at 1st Nov 2021	10,920,069	19,824,644	-	30,744,713
Additions during the year	<u>2,968,644</u>	<u>3,800,000</u>	<u>23,500,000</u>	<u>30,268,644</u>
	13,888,713	23,624,644	23,500,000	61,013,357
Depreciation allowance	<u>5,208,268</u>	<u>2,953,080</u>	<u>23,500,000</u>	<u>31,661,348</u>
WD V at 31st October 2022	<u>8,680,446</u>	<u>20,671,563</u>	-	<u>29,352,009</u>

**RUTUBA TANZANIA LTD.  
P. O. BOX 534,  
IRINGA**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2023**

**AUDITORS:  
H. A. PATWA & CO.  
Certified Public Accountants in Public Practice  
P. O. Box 4509,  
DAR ES SALAAM.**

**RUTUBA TANZANIA LTD.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST OCTOBER 2023**

<b>CONTENTS</b>	<b>Page No.</b>
Company Information	1
Directors' Report	2
Declaration of the Head of Accounting	3
Report of the Auditors	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 13

**RUTUBA TANZANIA LTD.**

**CORPORATE INFORMATION**

**Board of Directors**

: Janet Mary Ulyate - Kenyan  
: Otto Zoroaster Ulyate - Kenyan  
: Robert Clive Ash Nethersole - Zimbabwean  
: Ben Edwin Moshi - Tanzanian

**Registered Office**

: Plot No 99/66,  
: Zanki / Indira Gandhi Street  
: P. O. Box 4509,  
: Dar es Salaam,  
: Tanzania.

**Auditors**

: H. A. Patwa & Co.  
: Certified Public Accountants in Public Practice  
: P. O. Box 4509,  
: Dar es Salaam,  
: Tanzania.

**Principal Bankers**

: CRDB Bank Limited  
: Mkwawa Branch  
: P.O. Box 534,  
: Iringa  
: Tanzania.

: NMB Bank Limited  
: Mawambala Branch  
: P.O. Box 605,  
: Iringa  
: Tanzania.

**RUTUBA TANZANIA LIMITED.**

**: DIRECTORS' REPORT**

1. The directors present their report and the audited financial statements for the year ended 31<sup>st</sup> October 2023.
2. **ACTIVITIES**  
The principal activity of the company is farming and livestock breeding.
3. **SOLVENCY AND DIVIDENDS**  
The company's state of affairs is set out on page 6 of these financial statements.
4. **MARKET VALUE OF FIXED ASSETS**  
The company's assets are included in the balance sheet at historical cost and in the opinion of the directors, the market value of these assets exceed their net book value.
5. **DIRECTORS**  
The directors who served the company during the year were as shown on page 1 of these financial statements.
6. **DIRECTORS' RESPONSIBILITIES**  
The directors are required under the Tanzania's Companies Act 2002 to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profits and cash flows for that year.  
  
The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended to 31<sup>st</sup> October 2023.  
  
The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Tanzania's Companies Act 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.
7. **AUDITORS**  
The directors intend to retain H. A. Patwa and Company, a firm of Certified Public Accountants in Public Practice as auditors of the company for the next financial year.

**BY ORDER OF THE BOARD**

  
**DIRECTOR**

**DATE:**

18/03/2024

**DECLARATION OF THE HEAD OF ACCOUNTING OF  
RUTUBA 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, JAMES D. AKONO being the Head of Finance/Accounting of Rutuba Tanzania Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 5 to 13 for the year ended 31<sup>st</sup> October 2023 have been prepared in compliance with the applicable accounting standards and statutory requirements.

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

Signed by: J. Akono

Position: Accountant

NBAA Membership No.: ACPA 3561

Date: 19/03/2024



# H. A. PATWA & CO.

Certified Public Accountants in Public Practice

## INDEPENDENT AUDITORS' REPORT To the shareholders of Rutuba Tanzania Limited Report on the Audit of Financial Statements

### 1. Opinion

We have audited the financial statements of Rutuba Tanzania Limited which comprises of statement of financial position as at 31<sup>st</sup> October 2023 and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, and the notes to the financial statement.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position as at 31<sup>st</sup> October 2023 and of its financial performance and cash flows for the year ended 31<sup>st</sup> October 2023 and comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs) for Small and Medium Sized Entities (SME's)

### 2. Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the paragraph 5 of the report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Emphasis of Matter

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

### 4. Responsibilities of Management and those charged with Governance for the Financial Statements

As described in paragraph 6 of the director's report, the company's directors are responsible for the preparation of the financial statements.

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

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

For: H.A. Patwa & Co  
Certified Public Accountants in Public Practice

Hamzaali A. Patwa  
Sole Practitioner  
(FCPA-088)

Place: Dar es Salaam  
Date: 19<sup>th</sup> March 2024



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Zahra Tower, Indra Gandhi/Zanaki Street  
P.O. Box 4509, Dar es Salaam

**RUTUBA TANZANIA LTD.**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST OCTOBER 2023**

	<b>Note</b>	<b>2023 Tzs</b>	<b>2022 Tzs</b>
Revenue	8	5,326,330,174	5,151,606,201
Add: Closing stock at 31st October	5	696,863,241	463,050,000
Less: Opening stock of crops held at 1st November		<u>(463,050,000)</u>	<u>(558,919,439)</u>
		5,560,143,415	5,055,736,762
Direct expenses	18	<u>(2,488,643,929)</u>	<u>(2,259,669,830)</u>
		3,071,499,486	2,796,066,933
Administrative	19	(2,614,287,050)	(2,331,908,523)
Finance	20	(302,627,041)	(435,318,249)
Depreciation	4	<u>(326,555,422)</u>	<u>(418,481,531)</u>
<b>LOSS BEFORE TAXATION</b>	2	(171,970,027)	(389,641,370)
Taxation	3	<u>(44,281,129)</u>	<u>113,165,781</u>
<b>LOSS AFTER TAXATION</b>		<u><u>(216,251,156)</u></u>	<u><u>(276,475,589)</u></u>

RUTUBA TANZANIA LTD.

STATEMENT OF FINANCIAL POSITION  
AS AT 31ST OCTOBER 2023

	Note	2023 Tzs	2022 Tzs
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, plant & equipment	4	<u>1,689,767,774</u>	<u>1,949,321,885</u>
<b>INVESTMENT</b>			
Avacado Project	14	<u>1,576,186,984</u>	<u>1,633,615,560</u>
<b>CURRENT ASSETS</b>			
Inventories	5	1,771,747,370	2,360,690,775
Receivables and prepayments	6	835,723,888	1,290,168,026
Taxation		79,636,505	111,865,446
Cash and cash equivalents	11	<u>28,264,687</u>	<u>431,791,147</u>
		<u>2,715,372,449</u>	<u>4,194,515,394</u>
<b>TOTAL ASSETS</b>		<u>5,981,327,208</u>	<u>7,777,452,839</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	1,989,200,000	100,500,000
Accumulated profit	9	1,708,398,989	1,924,650,145
Shareholders fund	13	<u>462,694,751</u>	<u>2,319,103,825</u>
		<u>4,160,293,740</u>	<u>4,344,253,970</u>
<b>LONG TERM LIABILITY</b>			
Loan	17	59,846,403	450,938,194
Loan from NMB	16	260,765,550	712,484,700
Bank Overdraft	16	<u>250,196,358</u>	<u>259,752,733</u>
		<u>570,808,311</u>	<u>1,423,175,627</u>
<b>CURRENT LIABILITIES</b>			
Payable and accruals	10	962,581,523	1,734,431,797
Deffered tax liability	12	<u>287,643,634</u>	<u>275,591,445</u>
		<u>1,250,225,157</u>	<u>2,010,023,242</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>5,981,327,208</u>	<u>7,777,452,839</u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 18/03/2024 and were signed on its behalf by:

Signature:

Mrs. Janet M. Ulyate

Signature:

Mr. Otto Zoroaster Ulyate

**RUTUBA TANZANIA LTD.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST OCTOBER 2023**

	<b>Share capital</b> Tzs	<b>Accumulated profit</b> Tzs	<b>Total equity</b> Tzs
<b>2023</b>			
Balance 1st November 2022	100,500,000	1,812,006,537	1,912,506,537
Non-cumulative, non voting redeemable preference shares	1,888,700,000	-	1,888,700,000
Net loss for the year		(216,251,156)	(216,251,155)
Balance 31st October 2023	<u>1,989,200,000</u>	<u>1,595,755,382</u>	<u>3,584,955,382</u>
<b>2022</b>			
Balance 1st November 2021	100,500,000	2,237,167,935	2,337,667,935
Prior year taxes	-	(148,685,809)	(148,685,809)
Net profit for the year		(276,475,589)	(276,475,589)
Balance 31st October 2022	<u>100,500,000</u>	<u>1,812,006,537</u>	<u>1,912,506,537</u>

**RUTUBA TANZANIA LTD.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST OCTOBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit	(171,970,027)	(389,641,370)
Adjustment for:		
Depreciation	326,555,422	418,481,531
Operating profit before working capital changes	<u>154,585,395</u>	<u>28,840,161</u>
Working capital changes		
Stock	588,943,405	288,410,100
Debtors	454,444,138	(179,734,319)
Creditors and bank overdraft	<u>(771,850,273)</u>	<u>642,925,959</u>
	271,537,270	751,601,740
Less: Taxation paid	<u>-</u>	<u>149,706,176</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u><b>426,122,665</b></u>	<u><b>630,735,725</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	67,001,311	63,739,231
Avacado project	<u>(57,428,576)</u>	<u>9,524,625</u>
<b>NET CASH FLOW AFTER INVESTING ACTIVITIES</b>	<u><b>9,572,735</b></u>	<u><b>73,263,856</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Shareholders loan	(1,856,409,074)	297,562,765
Loan from Seedco T Limited	(391,091,791)	(334,721,582)
Share issued	1,888,700,000	-
Loan from NMB	<u>(461,275,525)</u>	<u>(174,032,872)</u>
	<u>(820,076,390)</u>	<u>(211,191,689)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u><b>(403,526,460)</b></u>	<u><b>346,280,180</b></u>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance 1st November	431,791,147	85,510,967
Balance 31st October	<u>28,264,687</u>	<u>431,791,147</u>
	<u><b>(403,526,460)</b></u>	<u><b>346,280,180</b></u>

# RUTUBA TANZANIA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended to 31<sup>st</sup> October 2023

### 1. PRINCIPAL ACCOUNTING POLICIES

a) **Accounting Convention**

The financial statements are prepared in accordance with the historical cost convention.

b) **Going Concern**

The directors of the company have expressed their willingness to continue with the business for the foreseeable future.

c) **Revenue Recognition**

Revenue comprises the invoiced value of agricultural, livestock and dairy produce sold during the year end.

d) **Inventories:**

Inventories comprise of farm inputs, harvested crop and livestock. Farm inputs are valued at the lower of cost or net realizable value. Agricultural produce and live stock is valued at the estimated net realizable value.

e) **Fixed assets and Depreciation**

These comprise of property, plant and equipment. These are stated at their written down values. Depreciation is calculated on a straight-line method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Farm machinery, tractors and equipments	25.0
Motor Vehicles	25.0
Furniture, fittings & bicycle	12.5
Computer	33.3

f) **Taxation**

Taxation is provided on the basis of the results for the year as shown in the Financial Statements adjusted in accordance with the tax legislation. Provision for deferred tax is made to recognize asset/liability arising from timing difference.

### 2. PROFIT BEFORE TAXATION

	2023 Tzs	2022 Tzs
This is arrived at after charging:		
Depreciation	326,555,422/-	418,481,531/-
Audit and accountancy fees	12,385,000/-	12,350,000/-
Director remunerations	<u>481,866,315/-</u>	<u>547,602,610/-</u>

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2023**

	<b>2023</b>	<b>2022</b>			
	<b>Tzs</b>	<b>Tzs</b>			
<b>3. TAXATION</b>					
Tax + interest for the year and previous years	32,228,942	-			
Deferred tax (note 12)	12,052,187	(113,165,781)			
	<u>44,281,129</u>	<u>(113,165,781)</u>			
Tax computation upto 2019 has been agreed with Income tax department.					
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>					
Cost:	<b>Land and Buildings</b>	<b>Farm, machinery &amp; Equipments</b>	<b>Motor Vehicle &amp; Bicycle</b>	<b>Tractors</b>	<b>Total</b>
	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>
Balance 1st Nov 2022	805,755,177	6,143,239,710	365,605,470	269,472,116	7,584,072,473
Additions during the year	26,284,817	40,716,494	-	-	67,001,311
Balance 31st Oct 2023	<u>832,039,994</u>	<u>6,183,956,204</u>	<u>365,605,470</u>	<u>269,472,116</u>	<u>7,651,073,784</u>
Depreciation:					
Balance 1st Nov 2022	85,715,615	4,934,619,824	353,978,428	260,436,721	5,634,750,588
Charge for the period	9,619,767	311,795,045	2,869,260	2,271,349	326,555,422
Balance 31st Oct 2023	<u>95,335,382</u>	<u>5,246,414,869</u>	<u>356,847,689</u>	<u>262,708,069</u>	<u>5,961,306,009</u>
WDV on 31st Oct 2023	<u>736,704,612</u>	<u>937,541,335</u>	<u>8,757,781</u>	<u>6,764,047</u>	<u>1,689,767,774</u>
WDV on 31st Oct 2022	<u>720,039,562</u>	<u>1,208,619,886</u>	<u>11,577,042</u>	<u>9,085,395</u>	<u>1,949,321,885</u>
<b>5. INVENTORIES</b>	<b>2023</b>	<b>2022</b>			
	<b>Tzs</b>	<b>Tzs</b>			
Chemical and fertilizers	691,892,059	1,535,552,365			
Diesel	10,692,070	29,788,410			
Livestock (Note 16)	372,300,000	332,300,000			
Maize, seeds and barley harvest in stock	434,126,000	248,000,000			
Avocado	262,737,241	215,050,000			
	<u>1,771,747,370</u>	<u>2,360,690,775</u>			
<b>6. RECEIVABLES AND PREPAYMENTS</b>					
Receivables	818,552,522	1,267,738,121			
Prepayments	919,425	629,100			
Staff loan	16,251,941	21,800,805			
	<u>835,723,888</u>	<u>1,290,168,026</u>			
<b>7. SHARE CAPITAL</b>					
<b>Authorised capital</b>					
<u>Non-cumulative, non voting redeemable preference shares</u>					
18,887 shares at Shs.100,000 /= each	1,888,700,000	-			
<u>Ordinary shares:</u>					
1500 shares at Shs.100,000 /= each	150,000,000	150,000,000			
<b>Issued and fully paid up capital</b>					
<u>Non-cumulative, non voting redeemable preference shares</u>					
18,887 shares at Shs.100,000 /= each	1,888,700,000	-			
<u>Ordinary shares:</u>					
1,005 shares of Shs.100,000 /= each	100,500,000	100,500,000			

During the year, the Company's authorized share capital increased from TZS 150,000,000 representing 1,500 Ordinary shares of TZS 100,000 each to TZS 2,038,700,000 by issuance of 18,887 Non-Cumulative, Non-Voting Redeemable Preference Shares of TZS 100,000 each. These Non-Cumulative, Non-Voting Redeemable Preference Shares are redeemable at the Company's discretion and do not have any fixed terms of repayment.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2023**

	2023 Tzs	2022 Tzs
<b>8. REVENUE SEGMENT ANALYSIS</b>		
Agricultural		
Livestock	4,816,237,947	4,779,029,794
Dairy	13,100,000	-
Other	461,058,500	353,391,400
	<u>35,933,727</u>	<u>19,185,007</u>
	<u>5,326,330,174</u>	<u>5,151,606,201</u>
<b>9. ACCUMULATED PROFIT</b>		
Balance brought forward		
Tax audit liability 2018-2019	1,924,650,145	2,349,811,543
Loss for the period	-	(148,685,809)
Balance as at 31st Oct	<u>(216,251,156)</u>	<u>(276,475,589)</u>
	<u>1,708,398,989</u>	<u>1,924,650,145</u>
<b>10. PAYABLES AND ACCRUALS</b>		
Trade payables	102,357,446	395,196,873
Advances	813,842,275	1,269,330,474
Accruals	46,381,802	69,904,450
	<u>962,581,523</u>	<u>1,734,431,797</u>
<b>11. CASH AND CASH EQUIVALENT</b>		
Cash in hand	523,103	1,663,643
Cash at bank	27,741,584	430,127,504
	<u>28,264,687</u>	<u>431,791,147</u>

**12. DEFERRED TAX**

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st January	275,591,446	388,757,228
Provision in the income statement (Note 3)	12,052,187	(113,165,781)
Balance as at 31st December	<u>287,643,634</u>	<u>275,591,446</u>

Deferred tax assets and liabilities and deferred tax charge attributable to the following items:

<u>Deferred tax liabilities</u>	Beginning	Charged to income statement	Charged to income statement
Accelerated capital allowances	344,305,586	(86,942,171)	257,363,415
Tax losses carried forward	(68,714,139)	98,994,358	30,280,220
	<u>275,591,447</u>	<u>12,052,187</u>	<u>287,643,634</u>

**13. SHAREHOLDERS FUND**

This comprise of funds taken for investment to meet the cost of setting up the farming business. The loan is interest bearing and is loaned by Rutuba Limited.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2023**

**14. AVACADO PROJECT**

Company invested into Avacado project in the year 2016, expenses for the project is capitalized until harvesting is done and thereafter it will be charged to income statement.  
 The expenditure from the Avacado project have now been realised and will be charged to the income statement on a straight line basis over a period of ten years.

**15. STOCK MOVEMENT OF LIVESTOCK**

	Quantities	Value	2023 Tzs Total	Quantities	Value	2022 Tzs Total
<b>DAIRY ANIMALS</b>						
<b>Jerseys</b>						
Bulls	1	2,500,000	2,500,000	3	2,500,000	7,500,000
Cows	133	2,000,000	266,000,000	115	2,000,000	230,000,000
Bulling heifers	2	1,500,000	3,000,000	32	1,500,000	48,000,000
Young Heifers	78	1,200,000	93,600,000	35	1,200,000	42,000,000
Calves ( female )	24	300,000	7,200,000	16	300,000	4,800,000
<b>Totals</b>	<u>238</u>		<u>372,300,000</u>	<u>201</u>		<u>332,300,000</u>
<b>Total Livestock value</b>			<u>372,300,000</u>			<u>332,300,000</u>

**16. BANK OVERDRAFT AND TERM LOAN**

The company has the following facility with NMB Bank Limited

- Overdraft facility of Tzs 300m, Term loan Tzs 500m and Existing Term loan facility Tzs 400m

**Interest**

The borrower shall pay minimum interest of 9% per annum

The borrower shall pay 9% for Tshs Overdraft

**Security pledged for this facility to the NMB Bank Limited are as follows :**

-Legal mortgage over Rutuba Tanzania Ltd farm and landed properties within the farm on and registered in the name of Rutuba Tanzania Ltd. Located at Mawambala Village kilolo division in Iringa, Registered with C.T No: 7073

-Chattel mortgage over 2 planters ( having capacity to plant 100 acres/day), Residue Manager, Combine Harvester (that can harvest 200 bags/day), Lime Spreader (with capacity of 10MT at a time), Tractors (Massey Ferguson Hp 250), Chemical Sprayer and Fertilizer Spreader, two silos.

-Personal Guarantee and Indemnity signed by Janet Ulyate and Otto Ulyate who are directors of the company.

-Subordination of shareholders loans totaling Tzs 2.072b to NMB loan.

-First charge debenture over the entire present and future assets of Rutuba T Ltd.

**17. LOAN**

This comprises of interest bearing loan received from Seedco Tz Ltd for purchases of irrigation equipment.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>18. PRODUCTION EXPENSES</b>		
Fertilizers and chemicals	1,796,050,776	1,678,262,681
Fuel expense	203,930,504	231,824,091
Laboratory Services	3,500,335	2,401,990
<b>Livestock expense</b>		
Livestock	107,508,665	87,823,042
Opening stock	332,300,000	276,300,000
Less: closing stock	(372,300,000)	(332,300,000)
Packaging materials	16,677,868	44,206,855
Seeds	136,127,000	128,050,000
Avocado expenses	264,848,781	143,101,171
	<u>2,488,643,929</u>	<u>2,259,669,830</u>
<b>19. ADMINISTRATIVE EXPENSES</b>		
Audit and accountancy fees	12,385,000	12,350,000
Agricultural machinery maintenance	27,841,278	85,533,858
Aircraft expenses	6,248,039	6,380,304
Bad debts	151,710,065	-
Consultancy charges	8,466,791	8,610,003
Directors remuneration	481,866,315	547,602,610
District cess, Service Fees and TIC Fess	23,218,306	15,479,642
Donation	700,000	2,004,634
Electricity and Water charges	217,216,478	222,781,185
Fire and Rescue	4,475,000	9,695,000
Insurance	27,078,651	30,245,725
Irrigation and vehicle running expense	111,797,044	31,943,687
Land rent	55,516,000	1,516,000
Licenses and legal fees	4,881,017	5,450,000
Medical expenses	9,020,779	2,902,370
Miscellaneous expense	10,081,026	12,292,494
Partial Exemption Disallowed	78,236,678	71,176,108
Repairs and maintenance	5,109,364	3,948,500
Salaries and wages	1,093,784,319	1,019,800,498
Secretarial fees	7,366,000	9,678,500
Soil testing fees	13,234,500	-
Staff uniform	14,051,576	22,641,000
Staff welfare and training	6,160,174	16,023,417
Stationery and printing	3,884,971	4,654,358
Telephone, postage and internet	17,279,933	20,557,856
Transport charges	198,151,015	149,238,720
Travel expense	3,532,785	6,589,748
Work permit	15,679,500	6,535,650
Workers Compensation Fund	5,314,446	6,276,656
	<u>2,614,287,050</u>	<u>2,331,908,523</u>
<b>20. FINANCE COST</b>		
Bank charges	18,276,995	23,352,399
Realised / Unrealised exchange loss	109,652,423	9,019,027
Interest charged	174,697,623	402,946,823
	<u>302,627,041</u>	<u>435,318,249</u>

**RUTUBA TANZANIA LTD.**

TIN No: 104-161-820

**TAX COMPUTATION  
YEAR OF INCOME 2023**

	Tzs	Tzs
<b>Loss as per accounts</b>		(171,970,027)
Add back:		
Bad debts	151,710,065	
Depreciation	326,555,422	
Unrealised exchange loss	67,619,689	
	<u>545,885,176</u>	
		<u>373,915,149</u>
<b>Less: Depreciation allowances</b>		<u>(43,933,954)</u>
<b>Profit for the year 2023</b>		329,981,195
<b>Loss brought forward from 2022</b>		<u>(229,047,129)</u>
<b>Profit for the year 2023</b>		<u>100,934,066</u>
<b>Corporate tax 30%</b>		30,280,220
Interest under section 75 of TAA 2015		1,948,722
<b>Tax payable</b>		<u>32,228,942</u>

**CALCULATION OF INITIAL AND DEPRECIATION ALLOWANCE**

	Class 1 37.5%	Class 3 12.5%	Class 8 100%	TOTAL
Balance as at 1st Nov 2022	8,680,446	20,671,563	-	30,744,713
Additions during the year	3,368,644	590,000	36,757,850	40,716,494
	<u>12,049,090</u>	<u>21,261,563</u>	<u>36,757,850</u>	<u>71,461,207</u>
Depreciation allowance	4,518,409	2,657,695	36,757,850	43,933,954
W D V at 31st October 2023	<u>7,530,681</u>	<u>18,603,868</u>	<u>-</u>	<u>26,134,549</u>

**RUTUBA TANZANIA LTD.  
P. O. BOX 534,  
IRINGA**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2024**

**AUDITORS:  
H. A. PATWA & CO.  
Certified Public Accountants in Public Practice  
P. O. Box 4509,  
DAR ES SALAAM.**

**RUTUBA TANZANIA LTD.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST OCTOBER 2024**

<b>CONTENTS</b>	<b>Page No.</b>
Company Information	1
Directors' Report	2
Declaration of the Head of Accounting	3
Report of the Auditors	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 13

**RUTUBA TANZANIA LTD.**

**CORPORATE INFORMATION**

Board of Directors	: Janet Mary Ulyate - Kenyan : Otto Zoroaster Ulyate - Kenyan : Robert Clive Ash Nethersole - Zimbabwean : Ben Edwin Moshi - Tanzanian
Registered Office	: Plot No 99/66, : Zanki / Indira Gandhi Street : P. O. Box 4509, : Dar es Salaam, : Tanzania.
Auditors	: H. A. Patwa & Co. : Certified Public Accountants in Public Practice : P. O. Box 4509, : Dar es Salaam, : Tanzania.
Principal Bankers	: CRDB Bank Limited : Mkwawa Branch : P. O. Box 534, : Iringa : Tanzania.  : NMB Bank Limited : Mawambala Branch : P. O. Box 605, : Iringa : Tanzania.

**RUTUBA TANZANIA LIMITED.**

**DIRECTORS' REPORT**

1. The directors present their report and the audited financial statements for the year ended 31<sup>st</sup> October 2024.

**2. ACTIVITIES**

The principal activity of the company is farming and livestock breeding.

**3. SOLVENCY AND DIVIDENDS**

The company's state of affairs is set out on page 6 of these financial statements.

**4. MARKET VALUE OF FIXED ASSETS**

The company's assets are included in the balance sheet at historical cost and in the opinion of the directors, the market value of these assets exceed their net book value.

**5. DIRECTORS**

The directors who served the company during the year were as shown on page 1 of these financial statements.

**6. DIRECTORS' RESPONSIBILITIES**

The directors are required under the Tanzania's Companies Act 2002 to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the company as at the end of the financial year and of its profits and cash flows for that year.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended to 31<sup>st</sup> October 2024.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Tanzania's Companies Act 2002. They are also responsible for safeguarding the assets of the company, ensuring the company's compliance with all regulatory and legal requirements and for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

**7. AUDITORS**

The directors intend to retain H. A. Patwa and Company, a firm of Certified Public Accountants in Public Practice as auditors of the company for the next financial year.

**BY ORDER OF THE BOARD**

  
DIRECTOR

DATE: 23/04/2025

**DECLARATION OF THE HEAD OF ACCOUNTING OF  
RUTUBA 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, James D. Akaro being the Head of Finance/Accounting of Rutuba Tanzania Limited hereby acknowledge my responsibility of ensuring that the attached Financial Statements set out on pages 5 to 13 for the year ended 31<sup>st</sup> October 2024 have been prepared in compliance with the applicable accounting standards and statutory requirements.

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

Signed by:



Position: Accountant

NBAA Membership No.: ACPA 3561

Date:

23/04/2025



# H. A. PATWA & CO.

Certified Public Accountants in Public Practice

## INDEPENDENT AUDITORS' REPORT To the shareholders of Rutuba Tanzania Limited Report on the Audit of Financial Statements

### 1. Opinion

We have audited the financial statements of Rutuba Tanzania Limited which comprises of statement of financial position as at 31<sup>st</sup> October 2024 and the statement of comprehensive income, statement of cash flows, statement of changes in equity for the year then ended, and the notes to the financial statement.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position as at 31<sup>st</sup> October 2024 and of its financial performance and cash flows for the year ended 31<sup>st</sup> October 2024 and comply with Tanzania's Companies Act 2002 and the International Financial Reporting Standards (IFRSs) for Small and Medium Sized Entities (SME's)

### 2. Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the paragraph 5 of the report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Emphasis of Matter

In common with many businesses of similar size and organization the company's system of internal control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation was not available, we have accepted assurance from the directors that all the company's transactions have been correctly reflected in the records.

### 4. Responsibilities of Management and those charged with Governance for the Financial Statements

As described in paragraph 6 of the director's report, the company's directors are responsible for the preparation of the financial statements.

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

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

For: H.A. Patwa & Co  
Certified Public Accountants in Public Practice

Hamzaali A. Patwa  
Sole Practitioner  
(FCPA-088)

Place: Dar es Salaam  
Date: 23<sup>rd</sup> April 2024



4



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P.O. Box 4509, Dar es Salaam

**RUTUBA TANZANIA LTD.****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST OCTOBER 2024**

	Note	2024 Tzs	2023 Tzs
Revenue	8	5,998,961,438	5,326,330,174
Add: Closing stock of crops held at 31st October	5	708,713,178	696,863,241
Less: Opening stock of crops held at 1st November		<u>(696,863,241)</u> 6,010,811,376	<u>(463,050,000)</u> 5,560,143,415
Direct expenses	18	<u>(2,289,442,738)</u> 3,721,368,638	<u>(2,488,643,929)</u> 3,071,499,486
Administrative	19	(2,920,145,967)	(2,614,287,050)
Finance	20	(203,846,241)	(302,627,041)
Depreciation	4	<u>(273,781,898)</u>	<u>(326,555,422)</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	2	323,594,532	(171,970,027)
Taxation	3	<u>(182,066,569)</u>	<u>(44,281,129)</u>
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<u>141,527,963</u>	<u>(216,251,156)</u>

**RUTUBA TANZANIA LTD.**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31ST OCTOBER 2024**

	Note	2024 Tsh	2023 Tsh
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, plant & equipment	4	<u>1,521,337,834</u>	<u>1,689,767,774</u>
<b>INVESTMENT</b>			
Avacado Project	14	<u>1,406,588,236</u>	<u>1,576,186,984</u>
<b>CURRENT ASSETS</b>			
Inventories	5	1,778,933,700	1,771,747,370
Receivables and prepayments	6	828,313,073	835,723,888
Taxation		-	79,636,505
Cash and cash equivalents	11	<u>322,505,378</u>	<u>28,264,687</u>
		<u>2,929,752,151</u>	<u>2,715,372,449</u>
<b>TOTAL ASSETS</b>		<u><b>5,857,678,220</b></u>	<u><b>5,981,327,208</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	7	1,989,200,000	1,989,200,000
Accumulated profit	9	1,574,991,139	1,708,396,989
Shareholders fund	13	<u>502,268,987</u>	<u>462,694,751</u>
		<u>4,066,460,127</u>	<u>4,160,293,740</u>
<b>LONG TERM LIABILITY</b>			
Loan	17	-	59,846,403
Loan from NMB	16	300,000,000	260,763,550
Bank Overdraft	16	-	250,196,358
		<u>300,000,000</u>	<u>570,808,311</u>
<b>CURRENT LIABILITIES</b>			
Payable and accruals	10	1,251,144,396	962,581,523
Deffered tax liability	12	230,249,053	287,643,634
Taxation		9,824,645	-
		<u>1,491,218,094</u>	<u>1,250,225,157</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><b>5,857,678,220</b></u>	<u><b>5,981,327,208</b></u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 23/04/2025 and were signed on its behalf by:

Signature:   
Mrs. Janet M. Ulyate

Signature:   
Mr. Othman Zochester Ulyate

**RUTUBA TANZANIA LTD.****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST OCTOBER 2024**

	<b>Share capital</b> Tzs	<b>Accumulated profit</b> Tzs	<b>Total equity</b> Tzs
<b>2024</b>			
Balance 1st November 2023	1,989,200,000	1,708,398,989	3,697,598,989
Net profit for the year		141,527,963	141,527,964
Previous year tax liability		(274,935,813)	(274,935,813)
Balance 31st October 2024	<u>1,989,200,000</u>	<u>1,574,991,139</u>	<u>3,564,191,140</u>
<b>2024</b>			
Balance 1st November 2022	100,500,000	1,924,650,145	2,025,150,145
Non-cumulative, non voting redeemable preference shares	1,888,700,000	-	1,888,700,000
Net loss for the year		(216,251,156)	(216,251,156)
Balance 31st October 2023	<u>1,989,200,000</u>	<u>1,708,398,989</u>	<u>3,697,598,989</u>

**RUTUBA TANZANIA LTD.****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST OCTOBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit /(loss)	323,594,532	(171,970,027)
Adjustment for:		
Depreciation	273,781,898	326,555,422
Operating profit before working capital changes	<u>597,376,430</u>	<u>154,585,395</u>
Working capital changes		
Stock	(7,186,330)	588,943,405
Debtors	7,410,815	454,444,138
Creditors and bank overdraft	288,562,873	(771,850,273)
	<u>288,787,358</u>	<u>271,537,270</u>
Less: Taxation paid	<u>424,935,813</u>	<u>-</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>461,227,975</u>	<u>426,122,665</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	105,351,957	67,001,311
Avacado project	(169,598,748)	(57,428,576)
<b>NET CASH FLOW AFTER INVESTING ACTIVITIES</b>	<u>(64,246,791)</u>	<u>9,572,735</u>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Shareholders loan	39,574,236	(1,856,409,074)
Loan from Seedco T Limited	(59,846,403)	(391,091,791)
Share issued	-	1,888,700,000
Loan from NMB	(210,961,908)	(461,275,525)
	<u>(231,234,075)</u>	<u>(820,076,390)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>294,240,691</u>	<u>(403,526,460)</u>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance 1st November	28,264,687	431,791,147
Balance 31st October	<u>322,505,378</u>	<u>28,264,687</u>
	<u>294,240,691</u>	<u>(403,526,460)</u>

## RUTUBA TANZANIA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended to 31<sup>st</sup> October 2024

#### 1. PRINCIPAL ACCOUNTING POLICIES

a) **Accounting Convention**

The financial statements are prepared in accordance with the historical cost convention.

b) **Going Concern**

The directors of the company have expressed their willingness to continue with the business for the foreseeable future.

c) **Revenue Recognition**

Revenue comprises the invoiced value of agricultural, livestock and dairy produce sold during the year end.

d) **Inventories:**

Inventories comprise of farm inputs, harvested crop and livestock. Farm inputs are valued at the lower of cost or net realizable value. Agricultural produce and live stock is valued at the estimated net realizable value.

e) **Fixed assets and Depreciation**

These comprise of property, plant and equipment. These are stated at their written down values. Depreciation is calculated on a reducing balance method at annual rates estimated to write off the cost or valuation over the estimated useful lives of the assets concerned.

	%
Farm machinery, tractors and equipments	25.0
Motor Vehicles	25.0
Furniture, fittings & bicycle	12.5
Computer	33.3

f) **Taxation**

Taxation is provided on the basis of the results for the year as shown in the Financial Statements adjusted in accordance with the tax legislation. Provision for deferred tax is made to recognize asset/liability arising from timing difference.

#### 2. PROFIT / (LOSS) BEFORE TAXATION

	2024 Tzs	2023 Tzs
This is arrived at after charging:		
Depreciation	273,781,898/-	326,555,422/-
Audit and accountancy fees	12,923,500/-	12,385,000/-
Directors remunerations	<u>584,294,457/-</u>	<u>481,866,315/-</u>

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2024**

	<b>2024</b>	<b>2023</b>			
	<b>Tzs</b>	<b>Tzs</b>			
<b>3. TAXATION</b>					
Tax + interest for the year and previous years	159,824,645	32,228,942			
Deferred tax (note 12)	(57,394,581)	12,052,187			
Prior year taxes write off	79,636,505	-			
	<u>182,066,569</u>	<u>44,281,129</u>			
Tax computations upto 2022 have been agreed with Income tax department.					
<b>4. PROPERTY, PLANT &amp; EQUIPMENT</b>					
Cost:					
	<b>Land and Buildings</b>	<b>Farm, machinery &amp; Equipments</b>	<b>Motor Vehicle &amp; Bicycle</b>	<b>Tractors</b>	<b>Total</b>
	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>	<b>Tzs</b>
Balance 1st Nov 2023	832,039,994	6,183,956,204	365,605,470	269,472,116	7,651,073,784
Additions during the year	-	43,351,957	-	62,000,000	105,351,957
Balance 31st Oct 2024	<u>832,039,994</u>	<u>6,227,308,161</u>	<u>365,605,470</u>	<u>331,472,116</u>	<u>7,756,425,741</u>
Depreciation:					
Balance 1st Nov 2023	95,335,382	5,246,414,869	356,860,189	262,695,569	5,961,306,009
Charge for the period	9,619,767	244,809,799	2,148,820	17,203,512	273,781,898
Balance 31st Oct 2024	<u>104,955,149</u>	<u>5,491,224,668</u>	<u>359,009,009</u>	<u>279,899,081</u>	<u>6,235,087,907</u>
WDV on 31st Oct 2024	<u>727,084,845</u>	<u>736,083,493</u>	<u>6,596,461</u>	<u>51,573,035</u>	<u>1,521,337,834</u>
WDV on 31st Oct 2023	<u>736,704,612</u>	<u>937,541,335</u>	<u>8,707,781</u>	<u>6,814,047</u>	<u>1,689,767,774</u>
				<b>2024</b>	<b>2023</b>
				<b>Tzs</b>	<b>Tzs</b>
<b>5. INVENTORIES</b>					
Chemical and fertilizers				668,988,042	691,892,059
Diesel				9,932,480	10,692,070
Livestock (Note 15)				391,300,000	372,300,000
Maize, seeds and barley harvest in stock				183,963,178	434,126,000
Avocado				524,750,000	262,737,241
				<u>1,778,933,700</u>	<u>1,771,747,370</u>
<b>6. RECEIVABLES AND PREPAYMENTS</b>					
Receivables				808,314,552	818,552,522
Prepayments				4,243,304	919,425
Staff loan				15,755,217	16,251,941
				<u>828,313,073</u>	<u>835,723,888</u>
<b>7. SHARE CAPITAL</b>					
<b>Authorised capital</b>					
<u>Non-cumulative, non voting redeemable preference shares</u>					
18,887 shares at Shs.100,000 /= each				<u>1,888,700,000</u>	<u>1,888,700,000</u>
<u>Ordinary shares:</u>					
1500 shares at Shs.100,000 /= each				<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued and fully paid up capital</b>					
<u>Non-cumulative, non voting redeemable preference shares</u>					
18,887 shares at Shs.100,000 /= each				<u>1,888,700,000</u>	<u>1,888,700,000</u>
<u>Ordinary shares:</u>					
1,005 shares of Shs.100,000 /= each				<u>100,500,000</u>	<u>100,500,000</u>

During the year, the Company's authorized share capital increased from TZS 150,000,000 representing 1,500 Ordinary shares of TZS 100,000 each to TZS 2,038,700,000 by issuance of 18,887 Non-Cumulative, Non-Voting Redeemable Preference Shares of TZS 100,000 each. These Non-Cumulative, Non-Voting Redeemable Preference Shares are redeemable at the Company's discretion and do not have any fixed terms of repayment.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2024**

	2024 Tzs	2023 Tzs
<b>8. REVENUE SEGMENT ANALYSIS</b>		
Agricultural	5,473,506,578	4,816,237,947
Livestock	200,000	13,100,000
Dairy	493,681,500	461,058,500
Other	31,573,360	35,933,727
	<u>5,998,961,438</u>	<u>5,326,330,174</u>
<b>9. ACCUMULATED PROFIT</b>		
Balance brought forward	1,708,398,989	1,924,650,145
Tax liability 2020-2022	(169,570,549)	-
Tax liability 2023	(73,136,323)	-
Prior year tax	(32,228,941)	-
Profit/(Loss) for the year	141,527,963	(216,251,156)
Balance as at 31st Oct	<u>1,574,991,139</u>	<u>1,708,398,989</u>
<b>10. PAYABLES AND ACCRUALS</b>		
Trade payables	1,005,998,749	102,357,446
Advances	(35,906,869)	813,842,275
Accruals	281,052,516	46,381,802
	<u>1,251,144,396</u>	<u>962,581,523</u>
<b>11. CASH AND CASH EQUIVALENT</b>		
Cash in hand	28,249,851	523,103
Cash at bank	294,255,527	27,741,584
	<u>322,505,378</u>	<u>28,264,687</u>

**12. DEFERRED TAX**

Deferred tax is calculated in full on all temporary differences under the liability method using a principal tax rate of 30%. The movement on the deferred income tax account is as follows:

Balance as at 1st January	287,643,634	275,591,446
Provision in the income statement (Note 3)	(57,394,581)	12,052,187
Balance as at 31st December	<u>230,249,053</u>	<u>287,643,634</u>

Deferred tax assets and liabilities and deferred tax charge attributable to the following items:

	Beginning	Charged to income statement	Charged to income statement
<u>Deferred tax liabilities</u>			
Accelerated capital allowances	257,363,415	(57,394,581)	199,968,834
Tax losses carried forward	30,280,220	-	30,280,220
	<u>287,643,634</u>	<u>(57,394,581)</u>	<u>230,249,054</u>

**13. SHAREHOLDERS FUND**

This comprise of funds taken for investment to meet the cost of setting up the farming business. The loan is interest bearing and is loaned by Rutuba Limited.

**RUTUBA TANZANIA LTD.**

**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)  
FOR THE YEAR ENDED 31ST OCTOBER 2024**

**14. AVACADO PROJECT**

Company invested into Avacado project in the year 2016. Expenses for the project are capitalized until harvesting is done and thereafter it will be charged to income statement.

The income from the Avacado project is now being realised and expenditure is now charged to income statement on a straight line basis over a period of ten years.

**15. STOCK MOVEMENT OF LIVESTOCK**

	Quantities	Value Tzs	2024 Total Tzs	Quantities	Value Tzs	2023 Total Tzs
<b>DAIRY ANIMALS</b>						
<b>Jerseys</b>						
Bulls	1	2,500,000	2,500,000	1	2,500,000	2,500,000
Cows	147	2,000,000	294,000,000	133	2,000,000	266,000,000
Bulling heifers	2	1,500,000	3,000,000	2	1,500,000	3,000,000
Young Heifers	70	1,200,000	84,000,000	78	1,200,000	93,600,000
Calves ( female )	26	300,000	7,800,000	24	300,000	7,200,000
<b>Totals</b>	<u>246</u>		<u>391,300,000</u>	<u>238</u>		<u>372,300,000</u>
<b>Total Livestock value</b>			<u>391,300,000</u>			<u>372,300,000</u>

**16. BANK OVERDRAFT AND TERM LOAN**

The company has the following facility with NMB Bank Limited  
- Overdraft facility of Tzs 300m, Term loan Tzs 300m

**Interest**

The borrower shall pay minimum interest of 9% per annum

The borrower shall pay 9% for Tshs Overdraft

**Security pledged for this facility to the NMB Bank Limited are as follows :**

-Legal mortgage over Rutuba Tanzania Ltd farm and landed properties within the farm on and registered in the name of Rutuba Tanzania Ltd. Located at Mawambala Village kilolo division in Iringa, Registered with C.T No: 7073

-Chattel mortgae over 2 planters ( having capacity to plant 100 acres/day), Residue Manager, Combine Harvester (that can harvest 200 bags/day), Lime Spreader (with capacity of 10MT at a time), Tractors (Massey Ferguson Hp 250), Chemical Sprayer and Fertilizer Spreader, two silos.

-Personal Guarantee and Indemnity signed by Janet Ulyate and Otto Ulyate who are directors of the company.

-Subordination of shareholders loans totaling Tzs 2.072b to NMB loan.

-First charge debenture over the entire present and future assets of Rutuba T Ltd.

**17. LOAN**

This comprised of interest bearing loan which was received from Seedco Tz Ltd for purchases of irrigation equipment. The loan has been paid off during the year.

**RUTUBA TANZANIA LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS (Cont'd....)**  
**FOR THE YEAR ENDED 31ST OCTOBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>Tzs</b>	<b>Tzs</b>
<b>18. PRODUCTION EXPENSES</b>		
Fertilizers and chemicals	1,280,534,536	1,796,050,776
Fuel expense	292,686,443	203,930,504
Laboratory Services	2,837,924	3,500,335
<b>Livestock expense</b>		
Livestock	92,224,717	107,508,665
Opening stock	372,300,000	332,300,000
Less: closing stock	(391,300,000)	(372,300,000)
Packaging materials	14,274,556	16,677,868
Seeds	118,525,000	136,127,000
Avocado expenses	507,359,562	264,848,781
	<u>2,289,442,738</u>	<u>2,488,643,929</u>
<b>19. ADMINISTRATIVE EXPENSES</b>		
Audit and accountancy fees	12,923,500	12,385,000
Agricultural machinery maintenance	88,565,908	27,841,278
Aircraft expenses	10,753,375	6,248,039
Bad debts	-	151,710,065
Consultancy charges	49,652,017	8,466,791
Directors remuneration	584,294,457	481,866,315
District cess, Service Fees and TIC Fees	35,806,671	23,218,306
Donation	3,749,000	700,000
Electricity and Water charges	183,958,110	217,216,478
Fire and Rescue	13,367,980	4,475,000
Insurance	32,621,205	27,078,651
Irrigation and vehicle running expense	137,479,123	111,797,044
Land rent	1,516,000	55,516,000
Licenses and legal fees	21,200,000	4,881,017
Medical expenses	4,887,362	9,020,779
Miscellaneous expense	17,711,307	10,081,026
Partial Exemption Disallowed	91,923,622	78,236,678
Repairs and maintenance	9,775,975	5,109,364
Salaries and wages	1,253,042,111	1,093,784,319
Secretarial fees	7,161,500	7,366,000
Soil testing fees	-	13,234,500
Staff uniform	6,329,881	14,051,576
Staff welfare and training	12,284,209	6,160,174
Stationery and printing	3,505,431	3,884,971
Telephone, postage and internet	20,761,346	17,279,933
Transport charges	290,134,873	198,151,015
Travel expense	12,695,848	3,532,785
Work permit	7,573,500	15,679,500
Workers Compensation Fund	6,471,656	5,314,446
	<u>2,920,145,967</u>	<u>2,614,287,050</u>
<b>20. FINANCE COST</b>		
Bank charges	28,751,454	18,276,995
Realised / Unrealised exchange loss	68,190,645	109,652,423
Interest charged	106,904,142	174,697,623
	<u>203,846,241</u>	<u>302,627,041</u>

**TAX COMPUTATION  
YEAR OF INCOME 2024**

	Tzs	Tzs
<b>Profit as per accounts</b>		323,594,532
Add back:		
Depreciation	273,781,898	
Donation	3,749,000	
Unrealised exchange loss	40,374,832	
		<u>317,905,730</u>
		641,500,262
<b>Less: Depreciation allowances</b>		(108,751,446)
		<u>532,748,816</u>
<b>Taxable Income for the year 2024</b>		<u>532,748,816</u>
<b>Corporate tax 30%</b>		159,824,645
less : Tax Paid	Provisional tax paid	-
	150,000,000	<u>(150,000,000)</u>
<b>Balance Tax payable</b>		<u>9,824,645</u>

**CALCULATION OF INITIAL AND DEPRECIATION ALLOWANCE**

	Class 1 37.5% Tzs	Class 3 12.5% Tzs	Class 8 100% Tzs	TOTAL Tzs
Balance as at 1st Nov 2023	7,530,681	18,603,868	-	26,134,549
Additions during the year	2,800,000	-	102,551,957	105,351,957
	<u>10,330,681</u>	<u>18,603,868</u>	<u>102,551,957</u>	<u>131,486,506</u>
Depreciation allowance	3,874,005	2,325,483	102,551,957	108,751,446
W D V at 31st October 2024	<u>6,456,676</u>	<u>16,278,384</u>	-	<u>22,735,060</u>