PURANDARE INDUSTRIES (T) LTD

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

COMPANY REG NO: 132570

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GENERAL INFORMATION

Country of incorporation	United Republic of Tanzania
Nature of business	Production of brown sugar
Physical address of business and Registered office	PURANDARE INDUSTRIES (T) LTD P.O Box 1007 Dodoma Tanzania
Auditors	Danis Associates Certified Public Accountants P.O. Box 2786 Mwanza Tanzania

PURANDARE INDUSTRIES (T) LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the period ended 31 DECEMBER 2021, which disclose the state of affairs of PURANDARE INDUSTRIES (T) LTD ("the Company")

1. INCORPORATION

The Company was incorporated in Tanzania on 18th January 2017 under the Tanzania Companies Act as a limited liability company.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is production of brown sugar.

3. RESULTS

The operating results for the period are set out on page 11 of these financial statements.

4. CERTIFICATE OF INCENTIVE

The company is registered under Tanzania Investment Centre with certificate number 043184 which exempt the organisation from payment of income taxes until the company start production of sugar, also after production start there will be special incentive by way of 100% depreciation of capital investment in first year. As attached below


0222978

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 043184

This is to certify that

PURANDARE INDUSTRIES (T) LIMITED

of address P.O.BOX 1007 - CHAMWINO

DODOMA

This Certificate has been extended for one year for the project to establish

SUGAR FACTORY

Which is located at DABALO VILLAGE

DODOMA VIJIJINI-DODOMA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf

Executive Director

Tanzania Investment Centre
P.O.Box 938 , Dar-es-salaam

Dated: 12 May, 2020

This Certificate is issued in accordance with the provision of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

		Nationality	Shareholding (%)
1	**Shareholders**	**Nationality**	**Shareholding (%)**
	Satish Purandare	*India*	*99*
	Neil Purandare	*India*	*1*

2 Proposed Activities: *To establish and operate a sugar factory project*

3 Sector **Manufacturing** Sub Sector **Sugar factory**

4 Investment Cost Foreign (M$) **0.5** Local (M$) **3** Total (M$) **3.5**

5 Project Financing Equity (M$) **0.5** Loan (M$) **3** Total (M$) **3.5**

6 Source, terms and conditions of loan **None**

7 Assets to be Invested Capital items: Foreign (M$) **0.5** Local (M$) **3** Total (M$) **3.5**

8 Technology Agreement **None**

9 Date of TIC Registration **24 January, 2017**

10 Implementation period **January 2017** - **May 2021**

11 Operative date **June 2021**

12 Investment Incentive Grade : As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997

- (i) Applicable Import Duty **EAC Customs Management Act. 2004 and VAT Act. 2014**
- (ii) Applicable with-holding Tax **As per Income Tax Act. 2004 (as amended)**
- (iii) Eligibility of Capital Allowances **As per Income Tax Act. 2004 (as amended)**

13 Protection of Investment , Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.

14 Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre
- (ii) Certificate not to be transferred , assigned or amended
- (iii) Failure to commence implementation within two years invalidates Certificate
- (iv) Failure to operate investment must be notified to the Centre
- (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre

15 Additional conditions attached to Certificate
All finished goods are not allowed under this Certificate

Signed

Executive Director

5. DIVIDENDS

The directors do not recommend the payment of any dividend.

6. SOLVENCY AND GOING CONCERN

The Company's state of affairs as at 31 DECEMBER 2021 is set out on page 13 of these financial statements.

During the period ended 31 DECEMBER 2021, the company did not conduct any business activities rather than pre-operating expenses that incurred and qualifies for capitalization as work in progress under property, plant and Equipment.

The company's shareholders have confirmed their commitment to continue providing financial support to the company in the form share capital, without fixed terms of repayment in order to meet the company's financial obligations as they fall due. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

7. DIRECTORS

The directors who served the company during the year and up to the date of this report were:

Name	Position	Nationality
Satish Purandare	Director	Indian
Neil Purandare	Director	Indian

DIRECTORS' REPORT (CONTINUED)

8. CORPORATE GOVERNANCE

The Board of Directors ("the Board") is of the opinion that the Company currently complies with the principles of good corporate governance.

The Board consists of two directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering material 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 company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

9. CAPITAL STRUCTURE AND SHAREHOLDERS OF THE COMPANY

The share capital of the company for the year under review consists of 20,000 ordinary shares of TZS 100,000 each. The shareholders of the Company as at 31 DECEMBER 2021 were:

S/N	Shareholder's name	Number of Shares	Value of Shares (TZS)	% of shareholding
1	SATISH PURANDARE	14,000	1,400,000,000	70%
2	NEIL PURANDARE	1,000	100,000,000	5%
3	SAIF AHMED	4,000	400,000,000	20%
4	SALMA SAIF AHMED	1,000	100,000,000	5%
	Total	**20,000**	**2,000,000,000**	**100%**

10. EMPLOYEES WELFARE

The company has in place policies that enable its employees to work in harmony and to ensure that no member of staff is discriminated for whatever reasons.

11. RELATED PARTY TRANSACTIONS

Details of transactions with related parties undertaken by the company during the period are disclosed in Note 9 to the financial statements.

12. AUDITORS

Danis Associates were appointed as auditors of the company for the period ending 31 DECEMBER 2021 and have expressed their willingness to continue in office and are eligible for re-appointment in accordance with the requirements of section 170 (2) of Companies Act, 2002.

DIRECTORS' REPORT (CONTINUED)

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of PURANDARE INDUSTRIES (T) LTD, as indicated above, were approved by the Board of Directors and are signed on its behalf by:

27/06/2022

SATISH PURANDARE – MANAGING DIRECTOR **DATE**

PURANDARE INDUSTRIES (T) LTD.
P.O. BOX 1007
DAR ES SALAAM

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, CAP 212 Act No.12 of 2002, requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, CAP 212 Act No.12 of 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its loss in accordance with International Financial Reporting Standards.

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

The directors are of the opinion, 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 external auditors are responsible for independently reviewing and reporting on the Company's financial statements. The financial statements have been examined by the external auditors and their report is presented on page 9-10.

The company's shareholders have confirmed their commitment to continue providing financial support to the company in the form of share capital, without fixed terms of repayment order to meet the company's financial obligations as they fall due. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

27/06/2022

SATISH PURANDARE – MANAGING DIRECTOR **DATE**

PURANDARE INDUSTRIES (T) LTD.
P.O. BOX 1007
DAR ES SALAAM

DECLARATION BY PROFESSIONAL ACCOUNTANT ON THE FINANCIAL STATEMENTS

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

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with 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 under Directors Responsibility statement on an earlier page.

I have reviewed the financial statements of PURANDARE INDUSTRIES (T) LTD ("the Company") for the period ended 31 DECEMBER 2021, as required by the National Board of Accountants and Auditors Tanzania (NBAA), which comprise the statement of financial position as at 31 DECEMBER 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

I Jackson Timothy Asantael confirm that the financial statements have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Tanzania Companies Act, 2002.

I also confirm that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its financial activities in accordance with International Financial Reporting Standards.

Signed by:

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Position: Accountant

Jackson Timothy Asantael

NBAA Membership No.: ACPA4038

DANIS ASSOCIATES

Certified Public Accountants in Public Practice & Tax Consultants
P.O. Box 2786, Mwanza – Tanzania.
Phone: +255 767 889 960, 0628 304 441, 0755 738 183
Email: danisassociates@gmail.com, infodanisassociates@gmail.com

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **PURANDARE INDUSTRIES (T) LIMITED**, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 January 2021 to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2021, and its financial performance and its cash flows for the period from 1 January 2021 to 31 December 2021 in accordance with International Financial Reporting Standards for small Medium-Sized Entities (IFRSs for SME's) and the Tanzanian Companies Act 2002.

Basis for Opinion

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

Responsibilities of Directors and Those charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and the Company's Act Cap 212, and for such internal control as 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, 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 Directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our audit report.

Auditor's responsibility 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 conduct in accordance with ISAs will always detect material misstatements when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial is given in the Appendix to independent Auditors report. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

This report, including, the opinion, has been prepared for, and only for, the company's members as a body in accordance with Tanzanian Companies Act and for no other purpose.

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
3. The company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

Signed by: Daniel R. Majalla-ACPA 3157

Danz Associates

Engagement Partner

DANZ ASSOCIATES ACCOUNTANTS & AUDITORS P. O. Box 2786 MWANZA

Dar Es Salaam, Tanzania

Date 28/06/2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	31 Dec 2021 TZS	31 Dec 2020 TZS
Revenues:			
Sales	5	-	-
Total Revenues		**-**	**-**
Expenses:			
Cost of goods sold	6	-	-
Administrative expenses	7	-	-
Depreciation Expenses		-	-
Total Expenses		**-**	**-**
Profit Before Tax		**-**	**-**
Tax Expenses		-	-
Net Surplus/(Deficit) for the year		**-**	**-**

The notes on page 15 to 29 form an integral part of these financial statements.

Report of the auditors – page 9-10

STATEMENT OF FINANCIAL POSITION

	Notes	31 Dec 2021 TZS	31 Dec 2020 TZS
ASSETS			
Non-current assets			
Property, plant and equipment	8	537,384,101	169,819,569
		537,384,101	169,819,569
Current assets			
Cash at bank and in hand	9	10,205,468	2,980,000
Inventory		-	-
		10,205,468	2,980,000
TOTAL ASSETS		547,589,569	172,799,569
CAPITAL AND LIABILITIES			
Capital			
Owner's Capital	15	-	-
Retained earnings		-	-
		-	-
Liabilities			
Current liabilities			
Accruals	10	1,000,000	500,000
Loan	11	424,790,000	50,000,000
Shareholder's Loan	12	122,299,568	122,299,568
		548,089,568	172,799,568
TOTAL CAPITAL AND LIABILITIES		547,589,568	172,799,568

The financial statements on pages 11 to 14 were authorised for issue by the Board of Directors and were signed on its behalf by:

SATISH PURANDARE – MANAGING DIRECTOR

27/06/2022
DATE

PURANDARE INDUSTRIES (T) LTD.
P.O. BOX 1007
DAR ES SALAAM

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Total
	TZS	TZS	TZS
At 1 January 2020	-	-	-
Additions	-		-
Loss for the year	-	-	-
Other comprehensive income	-	-	-
As at 31 DECEMBER 2021	**-**	**-**	**-**

The notes on page 15 to 29 form an integral part of these financial statements.

Report of the auditors – page 9-10

STATEMENT OF CASH FLOWS

	Notes	31 Dec 2021 TZS	31 Dec 2020 TZS
Profit/loss before income tax		-	-
Adjustments to reconcile profit/loss before tax			
Depreciation of property plant and equipment	8	-	-
Changes in working capital:			
- Inventory		-	-
- Accruals	10	500,000	-
Cash flows from operating activities		500,000	-
Tax paid during the period		-	-
Net cash generated from operating activities		**500,000**	-
Cash flows from investing activities			
Purchase of property and equipment	8	(368,064,532)	(59,677,515)
Net cash used in investing activities		**(368,064,532)**	**(59,677,515)**
Cash flows from financing activities			
Proceeds from Shareholder's Loan	12	22,362,000	22,362,000
Proceeds from loan	11	379,790,000	-
Loan Repayment	11	(5,000,000)	
Net cash used in financing activities		**374,790,000**	**22,362,000**
Net (decrease)/increase in cash		**7,225,468**	**(37,315,515)**
Cash at bank and in hand at start of year		**2,980,000**	**40,295,515**
Cash at bank and in hand at end of year		**10,205,468**	**2,980,000**

The notes on page 15 to 29 form an integral part of these financial statements.

Report of the auditors – page 9-10

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

PURANDARE INDUSTRIES (T) LTD was incorporated in Tanzania on 18th January 2019, under the Tanzania Companies Act, as a private company limited by shares. The Company is licensed to carry out the business of production of brown sugar.

The registered address of the Company is:

PURANDARE INDUSTRIES (T) LTD
P.0 Box 1007
Dodoma
Tanzania

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzanian Shillings (TZS).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Disclosures on risk management are disclosed in Note 4 of these financial statements.

2.2 Going Concern

The Company's state of affairs as at 31 DECEMBER 2021 is set out on page 13 of these financial statements.

During the period ended 31 DECEMBER 2021, the company did not conduct any business activities rather than pre-operating expenses that incurred in prior period and qualifies for capitalization as work in progress under property, plant and equipment.

The company's shareholders have confirmed their commitment to continue providing financial support to the company in the form of share capital, without fixed terms of repayment in order to meet the company's financial obligations as they fall due. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Property, plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs relating to qualifying asset.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognized in profit or loss.

i) Subsequent cost

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing of plant and equipment are recognized in profit or loss as incurred.

ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a reducing balance method over the estimated useful lives of items of plant and equipment. The annual rates for the estimated useful lives for the current years are as follows:

■ Computers	25%
■ Office furniture and equipment	12.5%
■ Motor vehicle	25%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

The Company recognizes revenue from the sales of produced brown sugar and it's by products. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Tanzania Shillings (TZS) which is the Company's functional and presentation currency.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

2.6 Accounting for leases

Leases under which the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Obligation incurred under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

A lease that transfers substantially all the benefits and risks inherent in the ownership of an asset(s) is classified as a Finance/Capital lease

2.7 Cash and cash equivalents

Cash on hand, demand and time deposits with banks whose original maturities do not exceed three months are classified as cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of a provision account, and the amount of the loss is recognised in the profit and loss account within the cost of sales.

When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the cost of sales in the profit and loss account.

2.9 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Financial instruments

2.10.1 Non-derivative financial assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

2.10.1 Non-derivative financial assets (Continued)

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for-sale, and prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Company's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences (if any) on available-for sale equity instruments are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.
Investment in unquoted equity securities that do not have an active market and whose fair value cannot be measured reliably are measured at cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

2.10.2 Non-derivative financial liabilities

The Company has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.11 Impairment

2.11.1Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment (Continued)

2.11.2 Non financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets (if any) that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for reporting purposes.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, changes in fair value of financial assets at fair value through profit or loss. Borrowing costs relating to qualifying assets are capitalised. All other borrowing costs are recognised in profit or loss using the effective interest method.

2.13 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

Deposits with financial institutions and other receivables

The fair value of deposits with financial institutions and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting rate.

Investments

The fair value of financial assets at fair value through profit or loss and held-to-maturity is determined by reference to their quote bid price at the reporting date where such information is available otherwise stated at cost. The fair value of held-to-maturity investments is determined for disclosure purposes only.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Income tax

Income tax expense

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act (ITA).

Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax also arises from tax losses as determined in accordance with the ITA.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized

2.15 Relevant new standards, amendments and interpretations issued but not yet effective and not early adopted

A number of new standards, amendments to standards and interpretations, relevant to the Company, are not yet effective for the year ended 31 DECEMBER 2019, and have not been applied in preparing these financial statements. The Company does not plan to adopt them early and they are not expected to have a significant impact on the Company's financial statements. These standards are summarised below:

IFRS 9: Financial Instruments:

On 24 July 2014 the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard introduces changes in the measurement bases of the financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

The standard is effective for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Relevant new standards, amendments and interpretations issued but not yet effective and not early adopted (Continued)

IFRS 15: Revenue from Contracts with Customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, and IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The standard specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: Identify the contract(s) with a customer;

Identify the performance obligations in the contract; Determine the transaction price; Allocate the transaction price to the performance obligations in the contract; and recognise revenue when (or as) the entity satisfies a performance obligation.

This standard will become effective for financial year commencing on 1 January 2019 with earlier adoption permitted. Management is still evaluating the impact of this standard to the Company.

IFRS 16: Leases

On 13 January 2016 the IASB issued IFRS 16 Leases, completing the IASB's project to improve the financial reporting of leases. IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The standard defines a lease as a contract that conveys to the customer ('lessee') the right to use an asset for a period of time in exchange for consideration.

A company assesses whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time.

The standard eliminates the classification of leases as either operating leases or finance leases for a lessee and introduces a single lessee accounting model. All leases are treated in a similar way to finance leases.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Relevant new standards, amendments and interpretations issued but not yet effective and not early adopted (Continued)

IFRS 16: Leases (Continued)

Applying that model significantly affects the accounting and presentation of leases and consequently, the lessee is required to recognise:

(a) Assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A company recognises the present value of the unavoidable lease payments and shows them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments.

(b) depreciation of lease assets and interest on lease liabilities in profit or loss over the lease term; and

(c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (typically presented within either operating or financing activities) in the statement of cash flows.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, compared to IAS 17, IFRS 16 requires a lessor to disclose additional information about how it manages the risks related to its residual interest in assets subject to leases.

The standard does not require a company to recognise assets and liabilities for:

(a) short-term leases (i.e. leases of 12 months or less) and;

(b) leases of low-value assets

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'

The new Standard is effective for annual periods beginning on or after 1 January 2021. Early application is permitted. The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statement requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could require a material adjustment to carrying amount of the assets or liabilities affected in the future periods.

Estimates and judgments are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances.

3.1 Critical estimates and assumptions on Property, plant and equipment

Critical estimates are made by the Company management in determining depreciation rates for property, plant and equipment and their residual values.

3.2 Receivables

Critical estimates are made by the Company management in determining the recoverable amount of impaired receivables.

3.3 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, management has made judgements in determining whether assets are impaired or not. It is the Company's policy to assess whether assets are impaired at every reporting date.

4. RISK MANAGEMENT

4.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity is further managed by monitoring forecast cash flows to ensure that the Company has adequate cash resources to meet its short-term commitments.
The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

All liquidity policies and procedures are subject to review and approval by the Company's directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. RISK MANAGEMENT (Continued)

4.2 Interest rate risk

Currently the Company has no significant interest-bearing assets, and therefore, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

4.3 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, and arises principally from the Company's trade and other receivables. The Company's principal financial assets are cash and cash equivalents and accounts receivables. The credit risk on cash transactions in liquid fund is limited because the Company banks with established and well recognised banking institutions.

4.4 Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures. The Company does not hedge foreign exchange fluctuations.

5. REVENUE

Revenue is made as a result of sales of brown sugar and it's by products

6. COST OF GOOD SOLD

Opening stock	-	-
Purchases	-	-
Closing stock	-	-
	-	**-**

7. ADMINISTRATIVE EXPENSES

	-	**-**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. PROPERTY, PLANT AND EQUIPMENT

Particulars	Initial Plant Cost	WIP Building	Land	Motor Vehicles	Total
	TZS	TZS	TZS	TZS	TZS
12 months period ended 31 Dec 2021					
Opening net book amount	150,330,867	-	11,388,702	8,100,000	169,819,569
Additions	312,503,532	55,561,000	-	-	368,064,532
Depreciation charge	-	-	-	-	-
Closing net book amount	**462,834,399**	**55,561,000**	**11,388,702**	**8,100,000**	**537,884,101**
At 30 Dec 2021					
Cost	462,834,399	55,561,000	11,388,702	8,100,000	537,884,101
Accumulated depreciation	-	-	-	-	-
Net book amount	**462,834,399**	**5,561,000**	**11,388,702**	**8,100,000**	**537,884,101**
12 months period ended 31 Dec 2020					
Opening net book amount	90,653,352	-	11,388,702	8,100,000	110,142,054
Additions	59,677,515	-	-	-	59,677,515
Depreciation charge	-	-	-	-	-
Closing net book amount	**150,330,867**	**-**	**11,388,702**	**8,100,000**	**169,819,569**
At 30 Dec 2020					
Cost	150,330,867	-	11,388,702	8,100,000	169,819,569
Accumulated depreciation	-	-	-	-	-
Net book amount	**150,330,867**	**-**	**11,388,702**	**8,100,000**	**169,819,569**

9. CASH AND CASH EQUIVALENT

NMB Bank TZS	2,666,771	1,485,000
BANK OF BARODA TANZANIA – TZS	4,138,030	1,285,000
CANARA BANK TANZANIA LTD - TZS	91,600	
CANARA BANK TANZANIA LTD - USD	2,695,838	
Cash Account - TZS	613,230	210,000.00
	10,205,468	2,980,000

10. PAYABLES AND ACCRUALS

Audit and accounting fees payable	1,000,000	500,000
	1,000,000	**500,000**

11. BORROWINGS

Opening balance	50,000,000	50,000,000
Additional	379,790,000	0
Interest	0	0
Repayments of principal & interest	(5,000,000)	0
Closing balance	**424,790,000**	**50,000,000**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. SHAREHOLDER'S LOAN

Opening balance	122,299,568	99,937,568
Additional		22,362,000
Repayments		0
Closing balance	**122,299,568**	**122,299,568**

13. RELATED PARTY BALANCES

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All transactions with related parties are made at an arm's length in the normal course of business and on normal commercial terms and conditions.

No transactions entered into with related parties during the year and no balances outstanding with related parties at the end of the year:

14. SHARE CAPITAL

	31 Dec 2021 **TZS**
Authorized share capital is	
20,000 ordinary shares at TZS 100,000 each	2,000,000,000

The issued and paid-up capital as at 31 DECEMBER 2021 is nil i.e., no shares are issued.

15. CONTINGENCIES

There are no material contingencies as at 31 DECEMBER 2021, which may possibly result in a loss or gain to the Company or in commitments which it cannot meet, and for which no provision is considered necessary or only partial provision has been made.

16. EVENTS SUBSEQUENT TO THE YEAR END DATE

There are no known subsequent events that require disclosure in or adjustment of the financial statements.