

**MRUTU AGRO – SOLUTIONS COMPANY LTD**  
**REGISTRATION NO. 151143326**  
**P.O. Box 16**  
**MOROGORO**

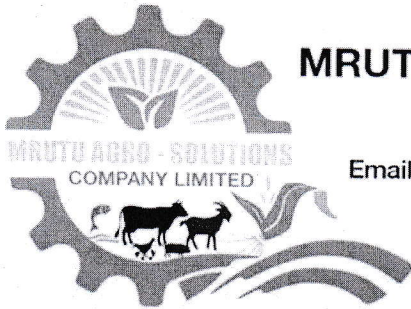
**AUDITORS REPORT AND STATEMENTS FINANCIAL**  
**POSITION FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

**KIM & ASSOCIATES**  
**AUTHORISED ACCOUNTANTS, AUDITORS & TAX CONSULTANTS**  
**P.O. BOX 455**  
**MOROGORO**  
**Plot No. 12 Block B Station Road**  
**TEL: 0754 478446 / 0713478446**  
**Email: kimassociates83@gmail.com**

**DATE:        JANUARY 2023**

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## MRUTU AGRO - SOLUTIONS COMPANY LIMITED

P.O. Box 16, Morogoro

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Website: [www.mrutuagrosolutions.co.tz](http://www.mrutuagrosolutions.co.tz)

"Classic Agribusiness Solutions "  
"Suluhisho Makini kwa Kilimo na Ufugaji"

**DECEMBER 31<sup>st</sup>, 2022**

### **DI RECTORS' REPORT FOR THE YEAR 2022**

#### **1. Introduction**

The directors take pleasure in presenting their annual report, which forms part of the audited annual financial statements of the Mrutu Agro - Solutions Company Limited for the year ended 31<sup>st</sup> December 2022. MRUTU AGRO-SOLUTIONS COMPANY LIMITED is a Private Limited Company established in the United Republic of Tanzania under the companies Act, 2002 (CAP 212) and registered by the Business Registration and Licensing Agency (BRELA) on 10th March, 2021. It holds a Certificate of Incorporation No. 151143326, Tax Identification Number -TIN 151143326 and Business number B 3624510. The head office of the company is in Morogoro Municipality, P.O.BOX 16, Morogoro. The website is [www.mrutuagrosolutions.co.tz](http://www.mrutuagrosolutions.co.tz) and e-mail address is [mrutu.agrosolutions@gmail.com](mailto:mrutu.agrosolutions@gmail.com). The company can also be reached through +255 (0) 753 442 903 or +255 (0) 621 935 243 or +255 (0) 745026287 or +255 (0) 767674 043. The authorized share capital of the company is shillings one million (1,000,000) divided into five hundred shares (500) of shillings two thousand (2,000) each. The company has powers to increase or reduce from time to time the authorized capital into several classes or otherwise and to attaché thereto.

#### **2. Presentation of financial Statements**

##### **2.1 International Financial Reporting Standards (IFRS)**

The statement of the financial position, Statement of Comprehensive Income, Cash Flow Statement, and the Statement of Changes in Shareholders Equity as set out below have been prepared in accordance with relevant International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these statements.

The Accounting Policies of the company have been applied consistently in writing the books of accounts. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates as well as the exercise of managerial judgements in the application of the company accounting policies. Such judgements, assumptions and estimates where applicable are disclosed in these financial statements.

## **2.2. Nature of activities**

The Objects of the company as explained in details by the Memorandum of Association, Mrutu Agro-Solutions Company Limited is a Multi-Agribusiness company for Agribusiness Development and Consultancy, Agribusiness Planning & Proposals write ups, using innovation and technology to provide services in fish ponds constructions, Installation of irrigation systems, Greenhouse & Solar dryers constructions, farm management services, Farmers trainings, Agribusiness & Entrepreneurship training, Farm visiting, Soil testing & analysis, Seedlings & Seeds supply, Marketing of agricultural and value added products for local and export market, Whole Sale & Retail trading, Contract Farming, value addition and other agricultural related support services depending on customers' needs. The products and services of Mrutu Agro-Solutions Company Limited are diverse depending on the needs of clients as focused to bring solutions in agriculture value chains and related sectors and stakeholders such as from livestock keeping, farming, fishing, forestry, value addition and processing, agro tourism, environmental conservation, entrepreneurship development particularly with regard to our clients including but not limited to Farmers, non-commercial institutions generally, commercial institutions, NGOs, Central Government, Local Government institutions and beyond as the products of Mrutu Agro-Solutions Company Limited are diverse depending on the needs of clients.

### **I. Results of Operations**

The results of operations and the financial position of the company are reflected in the statement of Comprehensive Income, Statement of the company are reflected in the Statement of Comprehensive Income, Statement of the Financial Position, Cash Flow Statement, and the Statement of Charges in Shareholders Equity complying this Report.

Apparently given the Low Capitalization, during this first year of operations, the Executive Director, Secretary and Assistant Director spent most of the time in organizing an office for the Company. Likewise, other shareholders could not secure any assignment to that effect.

### **II. Share Capital**

The Mrutu Agro-Solutions Company Limited was formed by two (2) signatories in the Articles and Memorandum of Association. Five hundred (500) shares of Tsh 2,000 per value were allocated to each prospective shareholder, who therefore were expected to subscribe Tsh. 1,000,000 (One Million).

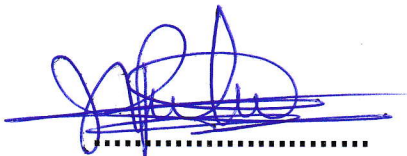
The subscription to-date stands at 400 ordinary shares issued and outstanding of Tsh. 800,000/-. Low subscription is explained by the fact that all shareholders have liquidity constraints mainly due to the fact that they are young start-ups who just finished up their professional education but they have no permanent sources of incomes as employees but they want now to employ themselves through the establishment of the company which will enable them to get employed and create more jobs to others.

### III. Shareholder Dividends

The results of operations during the second year show there is net loss. Consequently, the board of directors has followed the requirements of cap 212 (reversed 2005) of not paying dividends during the financial year where a profit is realized.

### 3. Future Prospects

The Directors of the company have agreed to prepare market penetration strategies into the growing competitive Agribusiness and Entrepreneurship Industry so that it can start contributing to the performance of commercial and non-commercial institutions from financial year 2022. Further, given the company cannot afford to employ key staff in the areas of Consultancy, Research, Marketing, Accounting and Finance, it was agreed that the director are squarely responsible for promoting the company and soliciting assignments for the firm.



.....  
**Philipo Fahamuel Mrutu**  
**CEO & Managing Director**



.....  
**Venance Makembe**  
**Assistant Director**

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF MRUTU AGRO - SOLUTIONS COMPANY LIMITED****Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of **MRUTU AGRO - SOLUTIONS COMPANY LIMITED** which comprise the statement of financial position as at 31<sup>st</sup> December 2022, and the Income statement, Statement of changes in equity and cashflow statement for the year ended, and notes to the financial statements including summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the business as at 31<sup>st</sup> December 2022 and of its income statement and cashflows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and requirements of the Business Names ordinance (CAP 213).

**Basis for Opinion**

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

**Other Information**

The Directors are responsible for the other information, which comprises the report of Director.

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

In connection with our audit of the financial statements, our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that fact. We have nothing to report in this regard.

**Responsibilities of the Directors to the Financial Statements**

The Directors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Report Standards and the requirements of the Business Name Ordinance (CAP 213), and for such Internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Business's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosure are evidence obtained up to the date of our

- auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the company audit. We remain responsible for our audit opinion.

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

### **Report on other Legal and Regulatory Requirements**

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- (iii) The Company's statement of financial position (Balance sheet) and statement of Profit or Loss and Other Comprehensive income (Profit and Loss account) are in agreement with the books of accounts.

.....  
**Kim & Associates**  
**Certified Public Accountants (Tanzania)**

**Signed By: CPA Joseph Kilosa (FCPA 122 CPP)**



**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
**REGISTRATION NO. 151143326**

P.O. Box 16  
**MOROGORO**

**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

	31.12.2022 TSHS	31.12.2021 TSHS
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Fixes assets	9,350,000	10,160,000
<b>TOTAL NON CURRENT ASSETS</b>	<b>9,350,000</b>	<b>10,160,000</b>
<b>CURRENT ASSETS</b>		
Cash at bank	629,883	528,001
Cash in hand	14,500	48,000
<b>TOTAL CURRENT ASSETS</b>	<b>644,383</b>	<b>576,001</b>
<b>TOTAL ASSETS</b>	<b>9,994,383</b>	<b>10,736,001</b>
<b>EQUITY AND LIABILITY</b>		
<b>EQUITY</b>		
Share capital	1,000,000	1,000,000
Capital reserve	9,200,000	9,200,000
Retain earnings	(2,300,267)	200,201
<b>TOTAL EQUITY</b>	<b>7,899,733</b>	<b>10,400,201</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors and Accruals	2,008,850	250,000
Taxation	85,800	85,800
<b>TOTAL LIABILITY</b>	<b>2,094,650</b>	<b>335,800</b>
<b>TOTAL EQUITY AND LIABILITY</b>	<b>9,994,383</b>	<b>10,736,001</b>

NOTES No. 1 TO 8 FORM PART OF THESE ACCOUNTS



**Philipo Fahamuel Mrutu**  
**CEO & Managing Director**




**Venance Makembe**  
**Assistant Director**

**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
**REGISTRATION NO. 151143326**  
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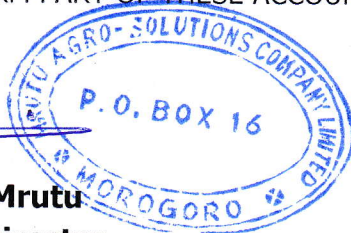
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

	SCH NO,	31.12.2022 TSH	31.12.2021 TSH
<b>INCOME</b>			
Other income		<b>32,578,000</b>	<b>21,061,000</b>
<b>Less expenditure</b>			
Administrative		34,795,199	18,062,000
financial		283,269	312,999
Other expenses		-	2,400,000
<b>TOTAL EXPENCES</b>		<b>35,078,468</b>	<b>20,774,999</b>
<b>Net Surplus (deficit) before taxation</b>		<b>(2,500,468)</b>	<b>286,001</b>
Taxation		-	85,800
<b>Net Surplus (deficit) after taxation</b>		<b>(2,500,468)</b>	<b>200,201</b>

NOTES No. 1 TO 8 FORM PART OF THESE ACCOUNTS



.....  
**Philipo Fahamuel Mrutu**  
**CEO & Managing Director**




.....  
**Venance Makembe**  
**Assistant Director**

**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
**REGISTRATION NO. 151143326**  
**P.O. Box 16**  
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**STATEMENT OF CHANGE IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

PARTICULARS	SHARE CAPITAL TSHS	CAPITAL RESERVE TSHS	RETAINED EARNING TSHS	TOTAL EQUITY TSHS
Balance as at 1/1/2021	1,000,000	9,200,000	-	10,200,000
surplus/deficit for the year 2021			200,201	200,201
<b>Balance as at 31/12/2021</b>	<b>1,000,000</b>	<b>9,200,000</b>	<b>200,201</b>	<b>10,400,201</b>
Balance as at 1/1/2022	1,000,000	9,200,000	200,201	10,400,201
surplus/deficit for the year			(2,500,468)	(2,500,468)
<b>Balance as at 31/12/2022</b>	<b>1,000,000</b>	<b>9,200,000</b>	<b>(2,300,267)</b>	<b>7,899,733</b>

NOTES No. 1 TO 8 FORM PART OF THESE ACCOUNTS



.....  
**Philipo Fahamuel Mrutu**  
**CEO & Managing Director**




.....  
**Venance Makembe**  
**Assistant Director**

**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
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**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022**

	<b>31.12.2022 TSH</b>	<b>31.12.2021 TSH</b>
<b>CASH FLOW FROM/(USED) IN OPERATING ACTIVITIES</b>		
Surplus from/(deficit) during the year	(2,500,468)	200,201
Add: Adjustment for; Depreciation	1,050,000	640,000
	<b>(1,450,468)</b>	<b>840,201</b>
<b>Add/(Less) change in working capital</b>		
Increase/(Decrease) in Creditors	1,758,850	250,000
(Increase)/Decrease in Debtors		
Increase/(Decrease) in Taxation		85,800
<b>Net cash flow from/(Used) in operating Activities (A)</b>	<b>308,382</b>	<b>1,176,001</b>
<b>Cashflow from/(Used) In Investing activities</b>		
Acquisition of fixed assets	(240,000)	(10,800,000)
<b>Cashflow from/(Used) In Investing activities (B)</b>	<b>(240,000)</b>	<b>(10,800,000)</b>
<b>Cashflow from/ (Used) in financing Activities</b>		
increase/Decrease in share capital	-	10,200,000
	-	<b>10,200,000</b>
<b>Cashflow from/(Used) in Financing Activities (C)</b>		
Cash and cash equivalent (A+B+C)	68,382	576,001
Cash and cash equivalent at 01.01.2022	576,001	-
<b>Cash and cash equivalent at 31.12.2022</b>	<b>644,383</b>	<b>576,001</b>

NOTES No. 1 TO 8 FORM PART OF THESE ACCOUNTS

  
 Philipo Fahamuel Mrutu  
 CEO & Managing Director



  
 Venance Makembe  
 Assistant Director

**NOTES TO THE ACCOUNTS AS AT 31/12/2022****NOTE 1.0 GENERAL INFORMATION**

Mrutu Agro – Solution Company Limited is owned by the members. The company was established by the Companies Act. 2002.

The Company is domiciled in Morogoro, Tanzania. The Address of the registered office is Posta Box 16, Morogoro.

**1.1 SUMMARY OF ACCOUNTING POLICIES**

The principal accounting police applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

**1.2 BASIC OF PREPARATION**

The financial statement of Mrutu Agro-solution company limited have been prepared in accordance to the International Financial Reporting Standards. The financial statement has been under historical cost events.

The preparation of financial statement have is conformity with IFRSs requires the use of certain accounting estimates. It also requires the management to exercise judgment in the process of applying the company's accounting policies. The area involving the use of higher degree of judgment of complexity, or areas where assumption and estimates are significant to the financial statements are separately disclosed in a note

**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
**REGISTRATION NO. 151143326**  
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**SCHEDULE No. 2 MOVEMENT OF FIXED ASSETS DURING FOR THE YEAR ENDED 31/12/2021**

PARTICULARS	COST		DEPRECIATION				NET BOOK VALUE	
	1/1/2022 TSH	ADD TSH	31/12/2022 TSH	1/1/2022 TSH	%	FOR THE YEAR TSH	31/12/2022 TSH	31/12/2021 TSH
Website	1,000,000		1,000,000	200,000	37.5	300,000	500,000	800,000
office banner	500,000	-	500,000	100,000	37.5	150,000	250,000	400,000
office table	500,000	-	500,000	100,000	37.5	150,000	250,000	400,000
chares	500,000	-	500,000	100,000	37.5	150,000	250,000	400,000
laptop computer	700,000	-	700,000	140,000	37.5	210,000	350,000	560,000
Concrete pond	7,600,000	-	7,600,000	-	-	-	7,600,000	7,600,000
office fane	-	85,000	85,000.00	-	37.5	31,875	31,875	53,125
Carpet	-	155,000	155,000	-	37.5	58,125	58,125	96,875
<b>Balance as at 31/12/2022</b>	<b>10,800,000</b>	<b>240,00</b>	<b>11,040,000</b>	<b>640,000</b>		<b>1,050,000</b>	<b>1,690,000</b>	<b>10,160,000</b>
<b>Balance as at 31/12/2021</b>	<b>10,800,000</b>	<b>-</b>	<b>10,800,000</b>	<b>-</b>		<b>640,000</b>	<b>640,000</b>	<b>10,160,000</b>

**MRUTU AGRO – SOLUTIONS COMPANY LIMITED**  
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**SCHEDULE TO ACCOUNTS FOR THE YEAR EDED 31/12/2022**

<b>SCH. NO 2 CASH AT BANK BALANCE</b>	<b>31.12.2022 TSHS</b>	<b>31.12.2021 TSHS</b>
Cash in hand	14,500	48,000
cash at bank	629,883	528,001
<b>TOTAL</b>	<b><u>644,383</u></b>	<b><u>576,001</u></b>
<b>SCHEDULE NO 3 SHARE CAPITAL</b>		
PHYLIP MRUTU	800,000	800,000
VENANCE JOHN MAKEMBE	200,000	200,000
<b>TOTAL</b>	<b><u>1,000,000</u></b>	<b><u>1,000,000</u></b>
<b>SCH. NO. 4 CREDITORS AND ACCRUAL</b>		
Kim and Associates	250,000	250,000
<b>TOTAL</b>	<b><u>250,000</u></b>	<b><u>250,000</u></b>
<b>SCH. NO. 5 ADMINISTRATIVE EXPENCES</b>		
Transport and Traveling	2,403,000	3,067,000
printing and stationary	517,500	330,000
Fees and Fingering	9,005,000	10,890,000
Per DM	254,000	1,950,000
Electricity	110,000	135,000
water	107,000	35,000
depreciation	1,050,000	640,000
communication	71,199	55,000
office rent	700,000	960,000
Consultation Farm Visit And Preparation	536,000	
Seedling Purchase And Supply	9,242,000	
Soil testing	738,000	
Cleanness	100,000	
Security	240,000	
Salary And Wages	5,605,998	
Training	82,000	
Weeding machine	1,850,000	
Accomodation	64,000	
office fane	155,000	

Carpet	85,000	-
Website	110,000	-
Advertisement	450,000	-
Exhibition	943,000	-
Maintenance	206,500	-
Business Plan Writing	100,000	-
Office Meeting	70,000	-
<b>TOTAL</b>	<b><u>34,795,198</u></b>	<b><u>18,062,000</u></b>
<b>SCH. NO. 6 Financial Expenses</b>		
bank charges	33,268	62,999
Audit Fee	<u>250,000</u>	<u>250,000</u>
<b>TOTAL</b>	<b><u>283,268</u></b>	<b><u>312,999</u></b>
<b>SC. NO. 7 OTHER EXPENCES</b>		
Consultancy professional fees	-	<u>2,400,000</u>
<b>TOTAL</b>	<b>-</b>	<b><u>2,400,000</u></b>

**SCH. NO. 8 COMPARATIVE FIGURES**

Fest Statement of financial Position

These Notes form part of the Financial Statements