

HESTER BIOSCIENCES AFRICA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
(FOR GROUP REPORTING PURPOSES ONLY)

Hester Biosciences Africa Limited
Annual report and financial Statements
For the year ended 31 March 2022 (for group reporting purposes only)

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COMPANY INFORMATION

		Nationality
BOARD OF DIRECTORS	: Rajiv Gandhi	Indian
	: Christine Towo Sokoine	Tanzanian
REGISTERED OFFICE	: Plot No.647 & 648	
	: Tamco Industrial Estate	
	: P.O. Box 30126	
	: Kibaha - Coast Region	
	: Tanzania	
PRINCIPAL PLACE OF BUSINESS	: Plot No.647 & 648	
	: Tamco Industrial Estate	
	: P.O. Box 30126	
	: Kibaha - Coast Region	
	: Tanzania	
INDEPENDENT AUDITOR	: PKF Associates Tanzania	
	: P. O. Box 7323	
	: Dar es Salaam	
	: Tanzania	
COMPANY SECRETARY	: PKF Advisory Limited	
	: P. O. Box 7323	
	: Dar es Salaam	
	: Tanzania	
PRINCIPAL BANKER	: Standard Chartered Bank Tanzania Limited	
	: 2nd Floor, International House Property	
	: Garden Avenue, Shaaban Robert Street	
	: P.O. Box 9011	
	: Dar es Salaam	
	: Tanzania	



REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 31 March 2022, which disclose the state of affairs of the company.

INCORPORATION

The company was incorporated in Tanzania on 11 August 2016 through certificate of incorporation No. 128503 and as of year end. It was in the process of completing building its factory and had not commenced trading.

PRINCIPAL ACTIVITY

The principal activity of the company is manufacture and sale of poultry and animal vaccines for export.

RESULTS

	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Loss before tax	(958,609,987)	(417,166)	(971,455,561)	(423,813)
Tax charge	<u>(1,086,437)</u>	<u>(473)</u>	<u>(5,912,836)</u>	<u>(2,571)</u>
Loss for the year	<u><u>(959,696,424)</u></u>	<u><u>(417,638)</u></u>	<u><u>(977,368,397)</u></u>	<u><u>(426,384)</u></u>

DIRECTORS

The names of the directors who held office during the year and to the date of this report are shown on page 1.

INDEPENDENT AUDITOR

PKF Associates Tanzania, has expressed willingness to continue in office and is eligible for re-appointment. A resolution to re-appoint PKF Associates Tanzania, as auditor will be put to the Annual General Meeting.

BY ORDER OF THE BOARD


 Rajiv Gandhi
 DIRECTOR



DAR ES SALAAM

16/05/ 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Tanzania Companies Act, 2002 requires the directors to prepare financial statements for each financial year which 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 for that year. It also requires the directors to ensure that the company keeps proper accounting records that are sufficient to show and explain the transactions the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements that comply with the International Financial Reporting Standards and the requirements of the Tanzania Companies Act, 2002. The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Tanzania Companies Act, 2002. They also accept responsibility for:

- i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. Selecting and applying appropriate accounting policies;
- iii. Making accounting estimates and judgements that are reasonable in the circumstances;

The directors are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 31 March 2022 and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Tanzania Companies Act, 2002.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. The directors are of the opinion that the company will remain a going concern for at least the next twelve months from the date of this statement.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 16/05/ 2022 and signed on its behalf by:



Director
Rajiv Gandhi



Director
Christine Towo Sokoine

DECLARATION OF THE HEAD OF FINANCE OF HESTER BIOSCIENCES AFRICA LIMITED

The National Board of Accountants and Auditors (NBAA) according to the powers 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 the 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 a true and fair view of the entity's position and performance in accordance with International Financial Reporting Standards (IFRS) and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Directors Responsibility statement on page 3.

In regard thereof, I Leonard K. Leopold being the Head of Finance/Accounting of Hester Biosciences Africa Limited hereby acknowledge my responsibility of ensuring that the company's financial statements for the year ended 31 March 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: [Signature]

Position: Financial Consultant

NBAA Membership No.: ACPA 3384

Date: 16/05/2022

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF HESTER BIOSCIENCES AFRICA LIMITED IN RESPECT OF THE AUDIT FOR THE YEAR ENDED 31 MARCH 2022(FOR GROUP REPORTING PURPOSES)

Opinion

We have audited the financial statements of Hester Biosciences Africa Limited set out on pages 7 to 31 which comprise the statement of financial position for the year ended 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2021, and of its financial performance and cash flows for the year ended in accordance with the International Financial Reporting Standards (IFRSs) and the Tanzania 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 22 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the company to meet group reporting requirements of Hester Biosciences Limited. As a result these financial statements may not be suitable for any other purposes. Our opinion is not modified in respect of this matters.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the declaration of head of finance and schedule of expenditure but, does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the Financial Statements

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

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

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF HESTER BIOSCIENCES AFRICA LIMITED IN RESPECT OF THE AUDIT FOR THE YEAR ENDED 31 MARCH 2022(FOR GROUP REPORTING PURPOSES)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Matters Prescribed by the Tanzania Companies Act, 2002

In our opinion the information given in the report of the directors on page 2 is consistent with the financial statements.

As required by the 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 purposes 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 and statement of profit or loss and other comprehensive income are in agreement with the books of account.



PKF ASSOCIATES TANZANIA
P.O. BOX 7323
DAR ES SALAAM

Date: 19/05/2022

Certified Public Accountants Dar es Salaam

CPA (Mustansir Gulamhussein), Practising certificate No. 1810

Signing partner responsible for the independent Audit

PKF Associates Tanzania

Ref: PKF/A005/A/018/17/mg

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2022		2021	
		Tshs	USD (Memo)	Tshs	USD (Memo)
Revenue	2	-	-	-	-
Direct costs		-	-	-	-
Other income	3	2,613,328,047	1,137,327	554,808,599	244,063
Administrative expenses		(1,536,364,869)	(668,645)	(1,159,183,897)	(503,904)
Other operating expenses		<u>(1,795,484,600)</u>	<u>(781,361)</u>	<u>(215,276,944)</u>	<u>(97,916)</u>
Operating loss	4	(718,521,421)	(312,678)	(819,652,242)	(357,757)
Finance	6	<u>(240,088,566)</u>	<u>(104,487)</u>	<u>(151,803,319)</u>	<u>(66,056)</u>
Loss before tax		(958,609,987)	(417,166)	(971,455,561)	(423,813)
Tax charge	7	<u>(1,086,437)</u>	<u>(473)</u>	<u>(5,912,836)</u>	<u>(2,571)</u>
Loss for the year		<u><u>(959,696,424)</u></u>	<u><u>(417,638)</u></u>	<u><u>(977,368,397)</u></u>	<u><u>(426,384)</u></u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive loss for the year		<u><u>(959,696,424)</u></u>	<u><u>(417,638)</u></u>	<u><u>(977,368,397)</u></u>	<u><u>(426,384)</u></u>

The notes on pages 11 to 31 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.

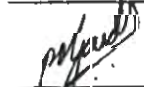


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STATEMENT OF FINANCIAL POSITION

	Notes	2022		2021	
		Tshs	USD	Tshs	USD
EQUITY					
Share capital	8	9,112,079,000	3,999,976	9,112,079,000	3,999,976
Foreign currency translation reserve		-	1,261	-	1,706
Retained earnings		(2,618,930,118)	(1,177,180)	(1,659,233,694)	(759,541)
Equity attributable to owners of the company		6,493,148,882	2,824,057	7,452,845,306	3,242,141
Non current liabilities					
Deferred capital grant	9	4,937,932,476	2,148,379	5,666,151,508	2,465,209
Borrowings	10	27,577,896,600	12,000,000	22,984,549,000	10,000,000
Lease liabilities	11	1,597,344,850	695,184	1,597,263,821	694,898
		<u>34,113,173,926</u>	<u>14,843,563</u>	<u>30,247,964,329</u>	<u>13,160,107</u>
		<u>40,606,322,808</u>	<u>17,667,620</u>	<u>37,700,809,636</u>	<u>16,402,249</u>
REPRESENTED BY:					
Non- current assets					
Property, Plant and equipment	12	33,421,791,933	14,540,634	33,248,078,927	14,465,026
Right-of-use asset	13	1,424,875,605	620,102	1,489,039,227	647,845
		<u>34,846,667,538</u>	<u>15,160,735</u>	<u>34,737,118,154</u>	<u>15,112,871</u>
Current assets					
Inventories	14	452,634,872	196,992	-	-
Trade and other receivables	15	790,081,077	344,022	843,893,200	367,146
Tax recoverable		300,000	131	300,000	131
Cash and cash equivalents	16	5,456,019,202	2,374,444	4,768,357,303	2,074,528
		<u>6,699,035,151</u>	<u>2,915,589</u>	<u>5,612,550,503</u>	<u>2,441,805</u>
Current liabilities					
Trade and other payables	17	840,248,675	365,562	2,549,747,224	1,109,297
Lease liabilities	11	99,131,206	43,143	99,111,798	43,130
		<u>939,379,881</u>	<u>408,705</u>	<u>2,648,859,022</u>	<u>1,152,427</u>
Net current assets		<u>5,759,655,270</u>	<u>2,506,884</u>	<u>2,963,691,482</u>	<u>1,289,378</u>
		<u>40,606,322,808</u>	<u>17,667,620</u>	<u>37,700,809,636</u>	<u>16,402,249</u>

The financial statements on pages 7 to 31 were approved and authorised for issue by the Board of Directors on 16/05/ 2022 and were signed on its behalf by:



Director
Rajiv Gandhi





Director
Christine Towo Sokoine

The notes on pages 11 to 31 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.

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STATEMENT OF CHANGES IN EQUITY

				Memo - US Dollars			
	Share capital	Retained earning	Total	Share capital	Retained earning	Foreign currency translation reserve	Total
	Tshs	Tshs	Tshs	USD	USD	USD	USD
Year ended 31 March 2022							
At start of year	9,112,079,000	(1,659,233,694)	7,452,845,306	3,999,976	(759,541)	1,706	3,242,141
Total comprehensive loss for the year	-	(959,696,424)	(959,696,424)	-	(417,638)	-	(417,638)
Effect of foreign exchange translation	-	-	-	-	-	(445)	(445)
At end of year	<u>9,112,079,000</u>	<u>(2,618,930,118)</u>	<u>6,493,148,882</u>	<u>3,999,976</u>	<u>(1,177,180)</u>	<u>1,261</u>	<u>2,824,057</u>
Year ended 31 March 2021							
At start of year	9,112,079,000	(681,865,298)	8,430,213,702	3,999,976	(333,157)	-	3,666,819
Total comprehensive loss for the year	-	(977,368,397)	(977,368,397)	-	(426,384)	-	(426,384)
Effect of foreign exchange translation	-	-	-	-	-	1,706	1,706
Transaction with owners:							
Issue of new shares	-	-	-	-	-	-	-
At end of year	<u>9,112,079,000</u>	<u>(1,659,233,694)</u>	<u>7,452,845,305</u>	<u>3,999,976</u>	<u>(759,541)</u>	<u>1,706</u>	<u>3,242,141</u>

The notes on pages 11 to 31 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.



Hester Biosciences Africa Limited
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STATEMENT OF CASH FLOWS

	Notes	2022		2021	
		Tshs	USD (Memo)	Tshs	USD (Memo)
Operating activities					
Cash generated by/(used in) operations	18	(2,528,969,677)	(1,103,871)	3,463,562,677	1,511,554
Interest charged on lease liabilities		103,540,635	45,062	96,002,504	41,777
Tax paid		(1,086,437)	(473)	(5,912,836)	(2,571)
Net cash from/(used in) operating activities		<u>(2,426,515,479)</u>	<u>(1,059,282)</u>	<u>3,553,652,345</u>	<u>1,550,760</u>
Investing activities					
Cash paid for purchase of plant and equipments	12	(1,375,730,024)	(601,281)	(9,686,490,633)	(4,224,215)
Net cash used in investing activities		<u>(1,375,730,024)</u>	<u>(601,281)</u>	<u>(9,686,490,633)</u>	<u>(4,224,215)</u>
Financing activities					
Proceeds from long-term borrowings		4,593,347,600	2,000,000	6,878,313,770	3,000,000
Payments under finance leases		(103,440,199)	(45,018)	(99,111,798)	(43,130)
Net cash from financing activities		<u>4,489,907,401</u>	<u>1,954,982</u>	<u>6,779,201,972</u>	<u>2,956,870</u>
Increase in cash and cash equivalents		<u>687,661,899</u>	<u>294,419</u>	<u>646,363,684</u>	<u>283,415</u>
Movement in cash and cash equivalents					
At start of year		4,768,357,303	2,074,528	4,114,268,696	1,788,121
Effect of exchange rate changes		-	5,497	7,724,923	2,992
Increase in cash and cash equivalents		<u>687,661,899</u>	<u>294,419</u>	<u>646,363,684</u>	<u>283,415</u>
At end of year	15	<u>5,456,019,202</u>	<u>2,374,444</u>	<u>4,768,357,303</u>	<u>2,074,528</u>

The notes on pages 11 to 31 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.



NOTES

1. SIGNIFICANT ACCOUNTING POLICIES

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

These financial statements comply with the requirements of the Tanzania Companies Act, 2002. The statement of profit or loss and statement of comprehensive income represent the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date.

New standards, amendments and interpretations adopted by the Company

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Society. The Society intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.



NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

New standards, amendments and interpretations adopted by the Company (continued)

Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16 (continued)

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Society has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within the allowed period of application.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020), effective for annual periods beginning on or after 1 January 2023, clarify a criterion for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (issued in February 2021)
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
- Amendments to IAS 8 'Definition of Accounting Estimates' (issued in February 2021), effective for annual reporting periods beginning on or after 1 January 2023, introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and change in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
- Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
- Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022, specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.



NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

New standards, amendments and interpretations issued but not effective (continued)

- Amendment to IAS 41 Agriculture 'Taxation in fair value measurements' (issued in May 2020), effective for annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted, removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards 'Subsidiary as a first-time adopter' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.
- Amendments to IFRS 3 Business Combinations - The amendments added an exception to the the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The amendments also clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
- Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities' (issued in May 2020), effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted, clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' (issued in September 2014) applicable from a date yet to be determined, address a current conflict between the two standards and clarify that a gain or loss and should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business.
- IFRS 17 'Insurance Contracts' (issued in May 2017) effective for annual periods beginning on or after 1 January 2023 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. The Company does not issue insurance contracts.

The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The Company plans to apply the changes above from their effective dates.

b) Significant accounting judgements, estimates and assumptions

In the application of the accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Significant accounting judgements, estimates and assumptions (continued)

- Measurement of expected credit losses (ECL):

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing Companies of similar financial assets for the purposes of measuring ECL

ECLs are measured as the probability-weighted present value of expected cash shortfalls over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets other than trade receivables and contains a three stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.
- Stage 2 - When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.
- When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The company uses these guidelines in determining the staging of its assets unless there is persuasive evidence available to rebut these presumptions.

- Measurement of expected credit losses (ECL) (continued)

For trade receivables, the company has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

- Useful lives, depreciation methods and residual values of property, plant and equipment

Management reviews the useful lives, depreciation methods and residual values of the items of plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 8



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Significant accounting judgements, estimates and assumptions (continued)

- Accounting for leases under IFRS 16

Management has made various judgements and estimates under IFRS 16 as detailed below:

Incremental borrowing rate: To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g.. term, country, currency and security.

Lease term/period: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of property, plant and equipment are disclosed in note 8

Covid-19 commentary

Given the level of uncertainty and the sensitivity of judgements and estimates, clear disclosure of the key assumptions used and judgements made is particularly important in financial statements prepared during the Covid-19 pandemic. Entities should carefully scrutinise their existing judgements and estimates, but may also find additional areas in which they will need to make judgements and estimates.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition

The company recognises revenue from veterinary vaccines and equipments. The company recognises revenue as and when it satisfies a performance of obligations by transferring obligation of a goods to a customer. The amount of revenue recognised is the amount the company expect to receive in accordance with the the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Tanzanian Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign determined currency are translated using the exchange rates at the dates of the initial transactions.

The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

e) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent costs are included in the **asset's** carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to write down the cost of each asset to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Land and Building	26 years
Plant and machinery	11.0%
Motor vehicles	25.0%
Furniture and equipment	12.5%
Office and Laboratory equipment	12.5%
It equipment	12.5%

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each reporting period and adjusted prospectively, if appropriate,.

An **asset's** carrying amount is written down immediately to its recoverable amount if the **asset's** carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Impairment of non-financial assets other than goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, management determines the recoverable amount of the CGU to which the asset belongs.

A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of cash inflows from other assets or groups of assets.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

g) Financial Instruments

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument.

- **Financial assets**

All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

The company classifies its financial assets into the following categories:



NOTES (CONTINUED)

g) Financial instruments (continued)

i) Amortised cost; (continued)

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost; The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured.

ii) Fair Value Through Other Comprehensive Income (FVTOCI):

Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gain and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

iii) Fair Value Through Profit or Loss (FVTPL):

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measure at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement and other comprehensive income.

Notwithstanding the above, the company may:

- on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.
- on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

At initial recognition of a financial asset, the company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the company has transferred substantially all risks and rewards of ownership, or when the company has no reasonable expectations of recovering the asset.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Financial instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Impairment

Debt instruments that are subsequently measured at amortised cost or at impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

The company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI):

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

No impairment loss is recognised on investments measured at FVTPL.

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

- Financial liabilities

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a the first-in-first-out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, netof bank overdrafts and restricted cash balance.

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities.

k) Share capital

Ordinary shares are classified as equity.

m) Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in statement of profit or loss except to the extent that it relates to items recognised in the other comprehensive income or equity, In this case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Accounting for leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in

The company as lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payment.

Leasehold land and buildings are subsequently carried at revalued amounts, based on annual/triennial valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses. All other right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability. Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are recognised in profit or loss. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset recognised in profit or loss and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation reserve to the retained earnings.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Accounting for leases (continued)

The company as lessee (continued)

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

The company as lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in profit or loss on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

o) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

p) Retirement benefit obligations

The company and its employees contribute to the National Social Security Fund (NSSF) statutory defined contribution schemes. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

q) Grants

The funds are transferred from Bill and Melinda Gates Foundation in united states dollars. They are recorded in the accounts where they are received.

Utilized funds are recognized as deferred income and they represent the net balance of receipts over expenditure. They are to be used to fund specific projects and activities.

r) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.



NOTES (CONTINUED)

2. Revenue

Since incorporation, the company has not commenced trading. During the year it completed factory construction and as of year end was continuing with the process to obtain formal registration of the vaccines sales with Tanzania Medicines and Medical Devices Authority (TMDA) so that it could commence trading.

3. Other income

	2022		2021	
	Tshs	USD	Tshs	USD
Insurance claims	2,816,621	1,226	-	-
Interest income from saving deposits	4,104,200	1,786	55,328,340	24,083
Miscellaneous income	1,838,400	800	-	-
Grant amortisation (Note 9)	2,604,568,826	1,133,515	499,480,259	219,980
	<u>2,613,328,047</u>	<u>1,137,327</u>	<u>554,808,599</u>	<u>244,063</u>

Grant amortisation represents, a transfer from the Bill and Melinda Gates Foundation capital grant to income based on the donations received spread over the estimated plant life of 8 years.

	2022		2021	
	Tshs	USD	Tshs	USD
4. Loss before tax				
The following items have been charged in arriving at the loss before tax:				
Depreciation of plant and equipment (Note 12)	1,202,017,018	523,132	32,906,124	18,545
Auditor's remuneration	14,486,739	6,305	17,236,869	7,500
Rent and rates	109,131,994	47,496	112,211,563	48,843
Staff costs (Note 5)	1,011,190,955	440,083	864,544,359	376,718
	<u>1,011,190,955</u>	<u>440,083</u>	<u>864,544,359</u>	<u>376,718</u>
5. Staff costs				
Salaries and wages	764,311,349	332,638	735,031,471	320,284
National social security fund contributions	144,336,916	62,817	54,051,529	23,552
Workers compensation fund	6,093,053	2,652	6,911,440	3,012
Skills and development levy	35,368,939	15,393	28,328,789	12,344
Other staff costs	55,833,327	24,299	40,221,131	17,526
Recruitment expenses	5,247,371	2,284	-	-
	<u>1,011,190,955</u>	<u>440,083</u>	<u>864,544,359</u>	<u>376,718</u>
6. Finance costs				
Net foreign exchange (loss)/income	(24,325,804)	(10,587)	55,782,015	24,281
Corporate guarantee expenses	160,873,734	70,013	-	-
Lease liabilities	103,540,635	45,061	96,021,304	41,775
	<u>240,088,566</u>	<u>104,487</u>	<u>151,803,319</u>	<u>66,056</u>
7. Tax				
Current tax				
- Withholding tax on interest income	1,086,437	473	5,912,836	2,571

There is no provision for current income tax expense for the year as the company did not trade and is exempt from Corporate Income tax under the EPZ licence no.168D granted on 28th August 2017 by the Export Processing Zone Authority under section 6 of the Export Processing Zones Act, Cap 373, which entitles the company to a 10 year tax holiday.

	2022		2021	
	Tshs	USD	Tshs	USD
8. Share capital				
Authorised:				
10,100,000 ordinary shares of Tshs 1,000	<u>10,100,000,000</u>	<u>4,391,304</u>	<u>10,100,000,000</u>	<u>4,391,304</u>
Issued and fully paid:				
9,112,079 (2021: 9,112,079) ordinary shares of Tshs 1,000	<u>9,112,079,000</u>	<u>3,999,976</u>	<u>9,112,079,000</u>	<u>3,999,976</u>



NOTES (CONTINUED)

	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
9. Deferred capital grant				
At start of year	5,666,151,508	2,465,209	1,838,275,425	801,789
Addition grant income - received during the year	1,876,349,795	816,685	4,327,356,342	1,883,400
Grant amortised to income (Note 3)				
- Pre construction phase	(1,876,578,793)	(816,685)	(499,480,259)	(219,980)
- Post construction phase	(727,990,033)	(316,830)	-	-
At the end of year	<u>4,937,932,476</u>	<u>2,148,379</u>	<u>5,666,151,508</u>	<u>2,465,209</u>

On 1 May 2018, Hester Biosciences Africa Limited entered into an agreement with Bill and Melinda Gates Foundation for East Africa Vaccine Manufacturing Plant PRI+Grant for a grant amount of up to USD 4 million to increase consistent access to high quality, affordable animal vaccines and health products for smallholder farmers through the adoption and standardization of production at the local vaccine manufacturing facility. The grant is to be used for reimbursement of capital expenses incurred on the Project and is amortised over the plant estimated useful life of 8 years. Any related grants distributed post the construction phase of September 2021 are to take to income in the year of recent.

The project funding covered the period 2018 to 2021.

Bill and Melinda Gates Foundation charitable organisation supports the development of drugs, vaccines and diagnosis to address diseases (including livestock diseases) that have a disproportionate impact to people in developing countries and ensuring that such products can be made available and accessible at an affordable price to people most in need in developing countries (the charitable mission).

10. Borrowings-Bill and Melinda Gates Foundation

The borrowings are made up as follows:

	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Non-current	<u>27,577,896,600</u>	<u>12,000,000</u>	<u>22,984,549,000</u>	<u>10,000,000</u>
Total borrowings	<u>27,577,896,600</u>	<u>12,000,000</u>	<u>22,984,549,000</u>	<u>10,000,000</u>
Reconciliation of liabilities arising from financing				
At start of year	22,984,549,000	10,000,000	16,106,235,230	7,000,000
Foreign exchange gain	-	-	17,938,942	7,815
Cashflows:				
-'Proceeds from long-term borrowings	<u>4,593,347,600</u>	<u>2,000,000</u>	<u>6,860,374,828</u>	<u>2,992,185</u>
At end of year	<u>27,577,896,600</u>	<u>12,000,000</u>	<u>22,984,549,000</u>	<u>10,000,000</u>

Bill and Melinda Gates Foundation

The company has a development an amendment to loan facility agreement with The Bill and Melinda Gates Foundation of USD 12,000,000 effective 12 November, 2021. A total of US \$ 12M had been disbursed to the company as of 31 December 2021. It attract an interest rate of 3% rate per annum as from October 1, 2022 with the following conditions:

- Commencing on October 1, 2022, interest will accrue on the unpaid principal amount of the loan as at interest rate equal to three percent (3%) per annum.



NOTES (CONTINUED)

10. Borrowings-Bill and Melinda Gates Foundation(continued)

- Commencing with the period beginning on December 31, 2022, the Borrower shall pay to the Lender in arrears in immediately available funds all accrued and unpaid interest on semi-annual basis (each, an interest payment date). For avoidance of doubt the first interest payment date will be December 31, 2022 at which time the borrower shall pay all accrued and unpaid up to and including such date. All interest that remains accrued and unpaid as of maturity date will be due and payable in full on such date.

The loan is secured by the following:

- Cooperate guarantee by Hester Biosciences Limited, a public company limited by shares formed in India, with its principal place of business at Pushpak 1st Floor, Motilal Hirabhai Road, Panchvati Circle, Ahmedabad, Gujarat 380006, India.

11. Lease liabilities	2022		2021	
	Tshs	USD	Tshs	USD
Interest income from saving deposits				
Non-current	1,597,344,850	695,184	1,597,263,821	694,898
Current	99,131,206	43,143	99,111,798	43,130
	<u>1,696,476,056</u>	<u>738,327</u>	<u>1,696,375,619</u>	<u>738,028</u>

The total cash outflow for leases in the year was:

Payments of principal portion of the lease	103,440,199	45,018	3,090,494	1,354
Interest paid on lease liabilities	103,540,635	45,061	96,021,304	41,775
	<u>206,980,835</u>	<u>90,080</u>	<u>99,111,798</u>	<u>43,130</u>

Reconciliation of lease liabilities arising from financing activities:

At start of year	1,696,375,618	738,028	1,372,191,172	599,719
Transition adjustment (Note 1(a))	-	-	319,568,817	139,662
Interest charged to profit or loss	103,540,635	45,062	96,002,504	41,777
Foreign exchange loss	-	255	7,724,923	-
Cash flows:				
- Payments under leases	<u>(103,440,199)</u>	<u>(45,018)</u>	<u>(99,111,798)</u>	<u>(43,130)</u>
At end of year	<u>1,696,476,054</u>	<u>738,327</u>	<u>1,696,375,618</u>	<u>738,028</u>

Weighted average effective interest rates at the reporting date was 3%

Maturity based on the repayment structure of lease liabilities is as follows:

Gross lease liabilities - minimum lease payments	2022		2021	
	Tshs	USD	Tshs	USD
Not later than 1 year	99,131,206	43,143	99,111,798	43,130
Later than 1 year and not later than 33 years	1,597,344,850	695,184	1,597,263,821	694,898
Total gross lease	<u>1,696,476,056</u>	<u>738,327</u>	<u>1,696,375,619</u>	<u>738,028</u>
Present value of lease liabilities	<u>1,696,476,056</u>	<u>738,327</u>	<u>1,696,375,619</u>	<u>738,028</u>

Present value of lease liabilities - minimum lease payments

Not later than 1 year	99,111,798	43,318.09	99,111,798	43,130
Later than 1 year and not later than 33 years	1,597,344,850	695,184	1,597,263,821	694,898
	<u>1,696,456,648</u>	<u>738,502</u>	<u>1,696,375,619</u>	<u>738,028</u>



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For the year ended 31 March 2022 (for group reporting purposes only)

NOTES (CONTINUED)

12. Property, plant and equipment

31 March 2022	Buildings	Plant and Machinery	Furniture fittings and equipment	Motor vehicles	Office and Laboratory equipment	IT equipment	Plant Work in-progress	Total
	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs	Tshs
Cost								
At start of year	-	-	1,025,000	53,606,000	-	48,017,259	33,206,874,272	33,309,522,531
Transfer	19,344,875,222	13,042,008,508	142,546,232	-	1,945,270,023	17,626,271	(34,492,326,256)	-
Additions	-	-	17,206,175	-	32,588,428	40,483,434	1,285,451,984	1,375,730,021
Interest income from	19,344,875,222	13,042,008,508	160,777,407	53,606,000	1,977,858,451	106,126,964	-	34,685,252,552
Accumulated depreciation								
At start of year	-	-	183,593	45,983,970	-	15,276,041	-	61,443,604
Charge for the year	322,975,641	724,290,495	9,151,541	7,622,030	110,191,960	27,785,350	-	1,202,017,017
At end of year	322,975,641	724,290,495	9,335,134	53,606,000	110,191,960	43,061,391	-	1,263,460,621
Net book value	19,021,899,581	12,317,718,013	151,442,274	-	1,867,666,490	63,065,573	-	33,421,791,931
31 March 2022	Buildings	Plant and Machinery	Furniture fittings and equipment	Motor vehicles	Office and Laboratory equipment	IT equipment	Plant Work in-progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD
31 March 2022	(Memo)	(Memo)	(Memo)	(Memo)	(Memo)	(Memo)	(Memo)	(Memo)
Cost								
At start of year	-	-	446	23,383	-	20,890	14,447,039	14,491,758
Transfer	8,416,268	5,674,114	62,017	-	846,318	7,669	(15,006,385)	-
Additions	-	-	7,486	-	14,178	17,613	559,254	598,531
Forex adjustment	-	-	-	-	-	-	92	92
At end of year	8,416,268	5,674,114	69,949	23,383	860,496	46,171	-	15,090,289
At start of year	-	-	80	20,006	-	6,646	-	26,732
Charge for the year	140,515	315,113	3,982	3,377	47,941	12,088	-	523,016
At end of year	140,515	315,113	4,062	23,383	47,941	18,734	-	549,748
Net book value	8,275,753	5,359,001	65,887	-	812,555	27,437	-	14,540,632



NOTES (CONTINUED)

12. Plant and equipments

Year ended 31 March 2021	Motor vehicles Tshs	Furniture and fittings Tshs	IT Equipments Tshs	Plant Work in-progress Tshs	Totals Tshs
Interest income from saving deposits					
At start of year	53,606,000	1,025,000	23,852,633	23,544,548,265	23,623,031,898
Additions	-	-	24,164,626	9,662,326,007	9,686,490,633
	<u>53,606,000</u>	<u>1,025,000</u>	<u>48,017,259</u>	<u>33,206,874,272</u>	<u>33,309,522,531</u>
Accumulated depreciation					
At start of year	24,500,859	45,834	3,990,787	-	28,537,480
Charge for the year	21,483,111	137,759	11,285,254	-	32,906,124
	<u>45,983,970</u>	<u>183,593</u>	<u>15,276,041</u>	<u>-</u>	<u>61,443,604</u>
Net carrying amount	<u>7,622,030</u>	<u>841,407</u>	<u>32,741,218</u>	<u>33,206,874,272</u>	<u>33,248,078,927</u>

Year ended 31 March 2021	Motor vehicles USD (Memo)	Furniture and fittings USD (Memo)	IT Equipments USD (Memo)	Plant Work in-progress USD (Memo)	Totals USD (Memo)
Cost					
At start of year	23,383	446	10,367	10,233,347	10,267,543
Additions	-	-	10,523	4,213,692	4,224,215
	<u>23,383</u>	<u>446</u>	<u>20,890</u>	<u>14,447,039</u>	<u>14,491,758</u>
Accumulated depreciation					
At start of year	6,433	20	1,734	-	8,187
Charge for the year	13,573	60	4,912	-	18,545
	<u>20,006</u>	<u>80</u>	<u>6,646</u>	<u>-</u>	<u>26,732</u>
Net carrying amount	<u>3,377</u>	<u>366</u>	<u>14,244</u>	<u>14,447,039</u>	<u>14,465,026</u>

13. Right-of use leasehold land

Year ended 31 March 2022	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
At start of year	1,489,039,227	647,845	1,533,381,980	670,184
Revaluation surplus	-	181	7,003,427	-
Depreciation charge for the year	(64,163,622)	(27,925)	(51,346,180)	(22,339)
At end of year	<u>1,424,875,605</u>	<u>620,102</u>	<u>1,489,039,227</u>	<u>647,845</u>

The Company has leased Land on which it is building its factory. The leases of land is for a periods of 33 years effective from 2017 , with options to renew.The lease does not contain any restrictions or covenants other than the protective rights of the lessor.



NOTES (CONTINUED)

14. Inventories	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Raw materials	452,634,872	196,992	-	-
Interest income from saving deposits				
15. Trade and other receivables				
VAT Receivable	118,753,242	51,681	98,847,767	43,005
Prepayments and advances	582,528,258	253,515	745,045,433	324,141
Receivable from director (Note 19 (v))	61,624,042	27,000	-	-
Receivables from related parties (Note 19 (iv))	27,175,335	11,827	-	-
	<u>790,080,877</u>	<u>344,022</u>	<u>843,893,200</u>	<u>367,146</u>
16. Cash and cash equivalents				
Cash in hand	31,890,135	13,879	20,830,608	9,063
Cash at bank	5,424,129,067	2,360,565	4,747,526,695	2,065,465
	<u>5,456,019,202</u>	<u>2,374,444</u>	<u>4,768,357,303</u>	<u>2,074,528</u>

For the purposes of the cash flow statement, cash and cash equivalents comprise the above amounts.

The bank balances are held with major Tanzania financial institutions. The risk attached to these banks are considered to be minimal.

17. Trade and other payables

Trade payables	613,895,040	267,083	2,035,353,478	885,504
Other payables	121,603,430	52,905	170,148,772	74,025
Payable to related party (Note 19)	104,750,205	45,573	344,244,973	149,768
	<u>840,248,675</u>	<u>365,562</u>	<u>2,549,747,224</u>	<u>1,109,297</u>

The carrying amounts of trade and other payables approximate to their fair values.

The carrying amounts of the company's other payables are denominated in Tanzanian Shillings.

The average maturity of the trade and other payables is two to three months.



NOTES (CONTINUED)

18. Cash from operations	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Reconciliation of loss before tax to cash used in operations				
Loss before tax	(958,609,987)	(418,973)	(971,455,561)	(423,813)
Adjustments for:				
Depreciation on plant and equipment (Note 10)	1,202,017,018	525,357	32,906,124	18,545
Changes in working capital				
-trade and other receivables	(452,634,872)	(197,830)	(102,613,127)	(44,975)
-trade and other receivables	53,812,123	23,519	657,018,076	286,690
-trade and other payables	(1,709,498,549)	(747,158)	(24,511,671)	(10,653)
-amortisation of deferred capital grant	(728,219,032)	(316,830)	3,827,876,083	1,663,420
-depreciation on right-of-use assets	64,163,622	28,044	44,342,753	22,339
Cash from/ (used in) operations	<u>(2,528,969,677)</u>	<u>(1,103,871)</u>	<u>3,463,562,677</u>	<u>1,511,554</u>

19. Related party transactions and balances

The company is a wholly owned subsidiary of Hester Biosciences Limited a company incorporated in India, which owns 98% of the company's shares. Darayus Lakdawalla and Rajiv Gandhi each own 1 share in the company.

The following balances arose from transactions with entities related to the company through common directorships shareholding.

	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
(i) Purchases from related parties				
- Hester Biosciences Limited				
Raw material	40,138,061	17,464	1,802,367	784
- Hester Biosciences Nepal Pvt Ltd	52,905,048	23,008	-	-
	<u>93,043,109</u>	<u>40,472</u>	<u>1,802,367</u>	<u>784</u>
(ii) Reimbursement and other expenses from related parties				
- Hester Biosciences Limited				
i. Corporate guarantee expenses	321,726,920	140,000	-	-
ii. Professional and consulting fees	96,334,461	41,930	-	-
iii. Travelling Expenses	177,888,465	77,403	-	-
	<u>595,949,845</u>	<u>259,333</u>	<u>-</u>	<u>-</u>
(iii) Payable to related parties (Note 17)				
- Hester Biosciences Limited	104,750,205	45,573	344,244,973	149,768
(iv) Receivable from related parties (Note 15)				
- Hester Biosciences Tanzania Limited	25,623,354	11,152	-	-
- Hester Biosciences Nepal Pvt Ltd	1,551,981	675	-	-
	<u>27,175,335</u>	<u>11,827</u>	<u>-</u>	<u>-</u>
(v) Receivable from director (Note 15)				
Christine Towo Sokoine	61,624,042	27,000	-	-

The loans and advances from related parties are interest free, have no specific dates of repayment and are unsecured.



NOTES (CONTINUED)

20. Risk management objectives and policies

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk,

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

(a) Market risk

Foreign exchange risk

The company is exposed to foreign exchange risk arising primarily with respect to the US Dollar. The risk arises from future transactions assets and liabilities in the statement of financial position date.

(b) Credit risk

Credit risk arises from cash and cash equivalents and trade and other receivables.

Management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

(c) Liquidity risk

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and bank balance, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the company's management maintains flexibility in funding by maintaining availability under committed credit lines.

22. Capital management

The company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or adjust the amount of capital expenditure.

21. Presentation currency

These financial statements are presented in Tanzania Shillings (Tshs) and United State Dollars (USD) as the reporting functional currency.



SCHEDULE OF EXPENDITURE

	2022		2021	
	Tshs	USD (Memo)	Tshs	USD (Memo)
1. ADMINISTRATIVE EXPENSES				
Employment				
Salaries and wages	764,311,349	332,638	735,031,471	320,284
National social security fund contributions	144,336,916	62,817	54,051,529	23,552
Workers compensation fund	6,093,053	2,652	6,911,440	3,012
Skills and development levy	35,368,939	15,393	28,328,789	12,344
Other staff costs	55,833,327	24,299	40,221,131	17,526
Recruitment expenses	5,247,371	2,284	-	-
Total employment costs	1,011,190,955	440,083	864,544,359	376,718
Other administrative costs				
Advertisement costs	5,500,000	2,394	-	-
Audit fees	14,486,739	6,305	17,236,869	7,500
Bank charges	15,119,720	6,580	26,515,783	11,547
Professional and consulting fees	63,169,543	27,492	73,025,666	31,786
Management fees	-	-	-	-
Stamp duty	1,834,214	798	-	-
Office expenses	19,697,583	8,573	24,498,549	10,664
Consumables	92,745,336	40,364	-	-
Cleaning Expenses	47,116,884	20,506	-	-
Vehicle running expenses	48,129,356	20,946	21,657,775	9,427
Guest house expenses	40,307,064	17,542	42,083,436	18,317
Donations	864,000	376	1,757,500	765
Labour expenses	-	-	3,325,600	1,448
Testing and inspection charges	3,931,000	1,711	-	-
Health and safety expenses	5,096,787	2,218	-	-
Printing and stationery	18,037,128	7,850	28,342,125	12,336
Telephone and Internet	15,280,648	6,650	9,607,462	4,182
Transport Expenses	1,141,301	497	-	-
Travelling Expenses	150,660,302	65,569	46,588,773	19,214
Site expenses	(18,338,005)	(7,981)	-	-
News papers, books and periodicals	394,315	172	-	-
	525,173,914	228,562	294,639,538	127,186
	1,536,364,869	668,645	1,159,183,897	503,904
2. OTHER OPERATING EXPENSES				
Establishment				
Short term leases	109,131,994	47,496	112,211,563	48,843
Electricity and water	312,150,551	135,852	7,320,000	3,186
Insurance expenses	22,955,529	9,991	2,726,968	1,187
License and subscriptions	10,222,708	4,449	8,766,109	3,816
Repair and maintenance	24,697,332	10,749	-	-
Security expenses	50,145,845	21,824	-	-
Depreciation of plant and equipment	1,202,017,018	523,076	32,906,124	18,545
Depreciation on right-of-use assets	64,163,622	27,925	51,346,180	22,339
	1,795,484,600	781,361	215,276,944	97,916

