

HESTER BIOSCIENCES AFRICA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
(FOR GROUP REPORTING PURPOSES)

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COMPANY INFORMATION

BOARD OF DIRECTORS	: Rajiv Gandhi : Darayus Lakdawalla	Indian Indian
REGISTERED OFFICE	: Palm Residency Shop No. 9 : Plot No. 45/46 Chimara Street, Kivukoni : P.O. Box 75512 : Dar-es-Salaam : Tanzania	
PRINCIPAL PLACE OF BUSINESS	: Manufacturing Plant : Plot No. 647 & 648 : Tamco Industrial Estate : 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 2019, which disclose the state of affairs of the company.

INCORPORATION

The company was incorporated in Tanzania on 11 August 2016 and is yet to commence trading.

PRINCIPAL ACTIVITY

The principal activities of the company is manufacture and sale of poultry and animal vaccines.

SHARE CAPITAL

The issued and paid up share capital of the company was increased on 18 October 2018 from Tshs 1,120,322,000 representing 1,120,322 ordinary shares of Tshs 1,000 each to Tshs 3,984,322,000 representing 3,984,322 ordinary shares of Tsh 1,000 each.

Again on 28th December 2018 the issued and paid up share capital of the company was increased from Tshs 3,984,322,000 representing 3,984,322 ordinary shares of Tshs 1,000 each to Tshs 5,130,080,000 representing 5,130,080 ordinary shares of Tsh 1,000 each.

RESULTS	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Loss before tax	-	-	(89,360,244)	(39,975)
Tax (charge)/credit	<u>(26,403,937)</u>	<u>(11,812)</u>	<u>26,403,937</u>	<u>11,812</u>
Loss for the year	<u><u>(26,403,937)</u></u>	<u><u>(11,812)</u></u>	<u><u>(62,956,307)</u></u>	<u><u>(28,163)</u></u>

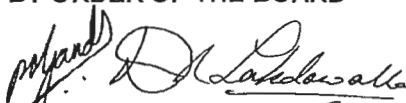
DIRECTORS


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 are 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


DIRECTOR
DAR ES SALAAM



20 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Tanzanian 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 of the company; that disclose, with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with the International Financial Reporting Standards and the requirements of the Tanzanian 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 Tanzanian 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 2019 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 Tanzanian Companies Act, 2002.

In preparing these financial statements the directors have assessed the company's ability to continue as a going concern. Nothing has come to the attention of the directors to indicate that the company will not 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 20 April 2019 and signed on its behalf by:



Director



Director

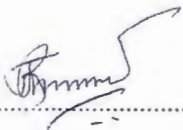
DECLARATION OF THE HEAD OF FINANCE OF HESTER BIOSCIENCES AFRICA LIMITED

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 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 RIZIKI MESSA 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 period ended 31 March 2019 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: 

Position: OUTSOURCED ACCOUNTANT

NBAA Membership No.: ACPA 2062

Date:

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF HESTER BIOSCIENCES AFRICA LIMITED FOR GROUP REPORTING PURPOSES**

Opinion

We have audited the financial statements of Hester Biosciences Africa Limited set out on pages 7 to 25 which comprise the statement of financial position for the year ended 31 March 2019, 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 2019, and of its financial performance and cash flows for the year ended 31 March 2019 in accordance with International Financial Reporting Standards (IFRSs) and the Tanzanian Companies Act, 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 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.

Other information

The company has prepared a separate set of financials for the year ended 31 December 2018 in accordance with the International Financial Reporting Standards on which we issued a separate auditors report to the shareholders of Hester Biosciences Africa Limited dated 12 April 2019.

The directors are responsible for the other information. The other information comprises company information, the directors' report, statement of directors' responsibilities, declaration of the head of finance and the schedule of expenditure and any other reports that comprise the annual report 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 from 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 Tanzanian 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 FOR GROUP REPORTING PURPOSE (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the company 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:

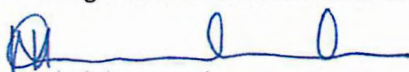
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Tanzanian Companies Act, 2002

In our opinion the information given in the report of the directors on page 2 are consistent with the financial statement. As required by the Tanzanian 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 profit and loss and other comprehensive income are in agreement with the books of account.



**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/A/H013/019/19/mg**

Date. 20 April 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2019		2018	
		Tshs	USD (Memo)	Tshs	USD (Memo)
Grant amortisation	2	867,643,721	380,318	-	-
Administrative expenses		(659,592,547)	(288,931)	(79,564,646)	(35,593)
Other operating expenses		<u>(209,678,740)</u>	<u>(92,100)</u>	<u>(3,803,542)</u>	<u>(1,692)</u>
Operating loss	3	(1,627,566)	(713)	(83,368,188)	(37,285)
Finance income/(costs)	5	<u>1,627,566</u>	<u>713</u>	<u>(5,992,056)</u>	<u>(2,690)</u>
Loss before tax		-	-	(89,360,244)	(39,975)
Tax (charge)/credit	8	<u>(26,403,937)</u>	<u>(11,812)</u>	<u>26,403,937</u>	<u>11,812</u>
Loss for the year		<u><u>(26,403,937)</u></u>	<u><u>(11,812)</u></u>	<u><u>(62,956,307)</u></u>	<u><u>(28,163)</u></u>
Other comprehensive income		-	-	-	-
Total other comprehensive loss for the year		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(62,956,307)</u></u>	<u><u>(28,163)</u></u>

The notes on pages 11 to 25 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.



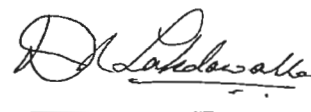
STATEMENT OF FINANCIAL POSITION

	Notes	2019		2018	
		Tshs	USD (Memo)	Tshs	USD (Memo)
EQUITY					
Share capital	7	5,130,082,000	2,249,976	1,120,322,000	499,976
Retained earnings		(89,360,244)	(46,955)	(62,956,307)	(29,986)
Equity attributable to owners of the company		<u>5,040,721,756</u>	<u>2,203,021</u>	<u>1,057,365,693</u>	<u>469,990</u>
Non current liabilities					
Deferred capital grant	10	191,344,871	82,224	-	-
Borrowings	9	9,134,120,000	3,989,571	-	-
		<u>9,325,464,871</u>	<u>4,071,795</u>	<u>-</u>	<u>-</u>
		<u>14,366,186,627</u>	<u>6,274,816</u>	<u>1,057,365,693</u>	<u>469,990</u>
REPRESENTED BY:					
Non- current assets					
Plant and equipments	11	2,241,852,759	979,190	473,242,026	209,218
Deferred tax		-	-	26,403,937	11,812
		<u>2,241,852,759</u>	<u>979,190</u>	<u>499,645,963</u>	<u>221,030</u>
Current assets					
Trade and other receivables	12	211,767,751	92,495	203,181,239	90,358
Tax recoverable		300,000	131	300,000	134
Cash and cash equivalents	13	12,254,726,405	5,352,579	454,325,571	203,242
		<u>12,466,794,156</u>	<u>5,445,205</u>	<u>657,806,810</u>	<u>293,734</u>
Current liabilities					
Trade and other payables	14	70,009,788	30,579	35,959,618	16,087
Loans and advances	15	272,450,500	119,000	64,127,462	28,687
		<u>342,460,288</u>	<u>149,579</u>	<u>100,087,080</u>	<u>44,774</u>
Net current assets		<u>12,124,333,868</u>	<u>5,295,626</u>	<u>557,719,730</u>	<u>248,960</u>
		<u>14,366,186,627</u>	<u>6,274,816</u>	<u>1,057,365,693</u>	<u>469,990</u>

The financial statements on pages 7 to 25 were approved and authorised for issue by the Board of Directors on 20 April 2019 and were signed on its behalf by:



Director

Director



The notes on pages 11 to 25 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019	Share capital	Retained earnings	Total	Memo - US Dollars		
	Tshs	Tshs	Tshs	Share capital USD	Retained earnings USD	Total USD
At start of the year	1,120,322,000	(62,956,307)	1,057,365,693	499,976	(29,986)	469,990
Total other comprehensive loss for the year	-	(26,403,937)	(26,403,937)	-	(11,812)	(11,812)
Effect of foreign exchange translation					(5,157)	
Transaction with owners:						
Issue of share capital	4,009,760,000	-	4,009,760,000	1,750,000	-	1,750,000
At end of the year	<u>5,130,082,000</u>	<u>(89,360,244)</u>	<u>5,040,721,756</u>	<u>2,249,976</u>	<u>(46,955)</u>	<u>2,208,178</u>

Year ended 31 March 2018	Share capital	Retained earnings	Total	Memo - US Dollars		
	Tshs	Tshs	Tshs	Share capital USD	Retained earnings USD	Total USD
At start of the year	-	-	-	-	-	-
Total other comprehensive loss for the year	-	(62,956,307)	(62,956,307)		(28,163)	(28,163)
Effect of foreign exchange translation				-	(1,823)	(1,823)
Transaction with owners:						
Issue of share capital	1,120,322,000	-	1,120,322,000	499,976	-	499,976
At end of the year	<u>1,120,322,000</u>	<u>(62,956,307)</u>	<u>1,057,365,693</u>	<u>499,976</u>	<u>(29,986)</u>	<u>469,990</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

Report of the independent auditor - page 5 and 6.



STATEMENT OF CASH FLOWS

	Notes	2019		2018	
		Tshs	USD (Memo)	Tshs	USD (Memo)
Operating activities					
Cash generated from/(used in) operations	16	(8,702,930,032)	(3,801,755)	(188,650,861)	(84,131)
Tax paid		-	-	(300,000)	(134)
Net cash used in operating activities		<u>(8,702,930,032)</u>	<u>(3,801,755)</u>	<u>(188,950,861)</u>	<u>(84,265)</u>
Investing activities					
Cash paid for purchase of plant and equipments	11	<u>(1,774,669,134)</u>	<u>(779,391)</u>	<u>(477,045,568)</u>	<u>(210,909)</u>
Net cash used in investing activities		<u>(1,774,669,134)</u>	<u>(779,391)</u>	<u>(477,045,568)</u>	<u>(210,909)</u>
Financing activities					
Proceed from issue of shares	7	4,009,760,000	1,750,000	1,120,322,000	499,976
Proceed from long-term borrowings	9	<u>9,134,120,000</u>	<u>3,989,571</u>	-	-
Net cash from financing activities		<u>13,143,880,000</u>	<u>5,739,571</u>	<u>1,120,322,000</u>	<u>499,976</u>
Increase in cash and cash equivalents		<u>2,666,280,834</u>	<u>1,158,425</u>	<u>454,325,571</u>	<u>204,802</u>
Movement in cash and cash equivalents					
At start of year		454,325,571	203,242	-	-
Effect of exchange rate changes		-	1,341	-	(1,560)
Increase		<u>2,666,280,834</u>	<u>1,158,425</u>	<u>454,325,571</u>	<u>204,802</u>
At end of year	13	<u>3,120,606,405</u>	<u>1,363,008</u>	<u>454,325,571</u>	<u>203,242</u>

The notes on pages 11 to 25 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 Tanzanian Companies Act, 2002. The Statement of profit or loss represent the profit and loss account referred to in the Act, whilst the statement of financial position represents the balance sheet referred to in the Act.

a) Basis of preparation

The financial statements are prepared under the historical cost convention 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.

Going concern

The financial performance of the company is set out in the report of the directors and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk management are set out in note 15. Disclosures in respect of capital management are set out in note 16.

Based on the financial performance and position of the company and its risk management policies, the directors are of the opinion that the company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

New and amended standards adopted by the company

All new and amended standards and interpretations that have become effective for the first time in the financial year beginning 1 January 2018 have been adopted by the company. Of those, the following has had an effect on the company's financial statements:

International Financial Reporting Standards 9 (IFRS 9): Financial Instruments

IFRS 9 requires all financial assets to be measured at fair value on initial recognition and subsequently at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

For financial liabilities, the most significant effect of IFRS 9 relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch.

For the impairment of financial assets, IFRS 9 introduces an "expected credit loss" (ECL) model based on the concept of providing for expected losses at the inception of a contract; this will require judgement in quantifying the impact of forecast economic factors. For financial assets for which there has not been a significant increase in credit risk since initial recognition, the loss allowance should represent ECLs that would result from probable default events within 12 months from the reporting date (12-month ECLs). For financial assets for which there has been a significant increase in credit risk, the loss allowance should represent lifetime ECLs. A simplified approach is allowed for trade receivables and lease receivables, whereby lifetime ECLs can be recognised from inception.



NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

New and amended standards adopted by the company (continued)

(IFRS 9): Financial Instruments (continued)

The company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018, the adoption has had no material impact on the amounts reported in these financial statements. The company did not early adopt IFRS 9 in previous periods.

The adoption of IFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

IFRS 15: Revenue from contracts with customers

Under IFRS 15, revenue from sale of goods is recognised when the customer obtains control of the goods. Revenue from sales of services is recognised over time provided the consumption of the service by the customer is simultaneous with the performance of the service by the Company. The application of the standard, retrospectively, in the current year has not had a material impact on the financial position or financial performance of the company, and a prior period adjustment has, therefore, not been required.

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 12 'Income Taxes' effective for annual periods beginning on or after 1 January 2019 clarifying on the recognition of income tax consequences of dividends.
- Amendments to IAS 19 'Employee Benefits' effective for annual periods beginning on or after 1 January 2019 clarifying the effects of a retirement benefit plan amendment, curtailment or settlement.
- Amendments to IAS 23 'Borrowing Costs' effective for annual periods beginning on or after 1 January 2019 clarifying that specific borrowings remaining unpaid at the time the related asset is ready for its intended use or sale will comprise general borrowings.
- Amendments to IFRS 9 'Financial Instruments' effective for annual periods beginning on or after 1 January 2019 clarifying that the existence of prepayment features with negative compensation will not in itself cause the instrument to fail the amortised cost classification.
- IFRS 16 'Leases' (issued in January 2017) effective for annual periods beginning on or after 1 January 2019, replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease' and their interpretations (SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (issued June 2017) effective for annual periods beginning on or after 1 January 2019 clarifies the accounting for uncertainties in income taxes.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

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

The directors expect that the future adoption of IFRS 16 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The directors do not expect that adoption of the other Standards and Interpretations will have a material impact on the financial statements in future periods. The entity plans to apply the changes above from their effective dates noted above.

b) Critical accounting estimates and judgement

In the application of the accounting policies, the directors are required to make judgements, 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.

- **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.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- 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 groups 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.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Critical accounting estimates and judgement (continued)

- Measurement of Expected Credit Losses (ECL) (continued):

- 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.

- Useful lives of plant and equipment

Management reviews the useful lives 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.

c) Revenue recognition

Grant income

Grant income is amortised based on the actual costs and necessary expenses incurred as laid out in Bill and Melinda Gates Foundation (BMGF) Agreement with Hester Biosciences Africa Limited.

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 not retranslated.

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

e) Plant and equipment

All 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.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Plant and equipment (continued)

All 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.

Depreciation on all other assets is calculated on the reducing balance basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	<u>Rate %</u>
Motor vehicle	37.5
Furniture and Fittings	12.5

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

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.

Gains and losses on disposal of plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.

f) Financial instruments

Financial instruments are recognised when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the company commits itself to the purchase or sale.

- **Financial assets**

The company classifies its financial assets into the following categories:

i) **Amortised cost;**

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.

The company classifies its financial assets into the following categories:

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.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

- *Financial assets (continued)*

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

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.

Impairment

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.



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

- Financial assets (continued)

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 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 Group does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

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.

g) Share capital

Ordinary shares are classified as equity.

h) Cash and cash equivalents

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



NOTES (CONTINUED)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) 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 equity, in which case, the tax is also recognised in 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 values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

j) Accounting for leases

The Company as lessee

Leases of assets under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease are charged to profit or loss on a straight-line basis over the period of the lease.

k) Retirement benefit obligations

The company operates a defined benefit staff retirement benefit scheme for its permanent and pensionable employees. The pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the advice of the actuaries who carry a full valuation of the plan every three years. The retirement benefit obligation is measured as the present value of the estimated future cash outflows. Actuarial gains and losses are recognised over the average remaining service lives of employees.

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

l) Comparatives

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



NOTES (CONTINUED)

8. Deferred tax

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

	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
At start of the year	(26,403,937)	(11,812)	-	-
(Charge)/credit to profit or loss (Note 5)	26,403,937	11,812	(26,403,937)	(11,812)
At end of the year	-	-	(26,403,937)	(11,812)

Deferred tax assets, deferred tax credit in profit or loss are attributable to the following items:

	At start of the year Tshs	(Charge)/credit to profit or loss Tshs	At end of year Tshs
Deferred tax asset			
Plant and equipment			
- accelerated capital allowance	383,687	(383,687)	-
Unrealised exchange differences	(1,798,217)	1,798,217	-
Tax losses	(24,989,407)	24,989,407	-
Net deferred tax asset	(26,403,937)	26,403,937	-

9. Borrowings

The borrowings is made up as follows:

	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Non-current				
Other borrowings - Bill and Melinda Gates	9,134,120,000	3,989,571	-	-
At end of the year	9,134,120,000	3,989,571	-	-

Reconciliation of liabilities arising from financing activities:

Year ended 31 December 2018

At start of year	-	-	-	-
Cash flows:				
- Proceeds from long-term borrowings	9,134,120,000	3,989,571	-	-
At end of year	9,134,120,000	3,989,571	-	-

Bill and Melinda Gates Loan

The loan was advanced for the purpose of supporting the development of drugs, vaccines and diagnostics to address diseases (including livestock diseases) that have a disproportionate impact on people within developing countries, and ensuring that such products can be made available and accessible at an affordable price to people most in need within developing countries.

The borrowing is secured by a corporate guarantor - Hester Biosciences Limited.



NOTES (CONTINUED)

9. Borrowings (continued)

The exposure of the company's borrowings to interest rate changes and the contractual repricing dates at the reporting date is at 3% per annum commencing on April 2021.

10. Deferred capital grant

	2019		2018	
	Tshs	USD	Tshs	USD (Memo)
BMGF grant income - received during the year	1,058,988,593	462,542	-	-
Amortisation (Note 2)	(867,643,721)	(380,318)	-	-
Balance at the end of the year	191,344,871	82,224	-	-

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. A grant amounting to USD 4 million to increase consistent access for high quality, affordable animal vaccines and health products for smallholder farmers through the adoption and standardization of production at a local manufacturing facility.

The project funding will run from 1 May 2018 to October 31, 2021.

The table below gives a breakdown of the reporting and payment schedule:

REPORTING AND PAYMENT SCHEDULE

Investment period	Reporting Deliverable	Due by	Payment Date	Amount (U.S.\$)
	Countersigned Agreement/Amendment, as applicable		Within 15 days after receipt of countersigned Agreement and confirmation Loan Agreement has been executed.	\$465,643.00
	Product Development Plan as informed by and satisfactory to the Foundation.	Ongoing through term Agreement	Go/No-go Milestones: Achievement satisfactory to the Foundation IF Loan Drawdown Milestones set forth in the Loan Agreement.	
Start Date December 31, 2018	Progress report and Audited Financial Statements	February 28, 2019	April 2019	\$834,272
January 1, 2019 to December 31, 2019	Progress report and Audited Financial Statements	February 28, 2020	April 2020	\$1,883,400
January 1, 2020 to December 31, 2020	Progress report and Audited Financial Statements	February 28, 2021	April 2021	\$816,685
Start Date to End Date	Progress report and Audited Financial Statements	Within 60 days of End Date		
			Total Grant Amount	\$4,000,000



NOTES (CONTINUED)

11. Plant and equipments

Year ended 31 March 2019

	Motor vehicles Tshs	Furniture and fittings Tshs	Work in-progress Tshs	Totals Tshs
Cost				
At start of year	13,500,000	160,000	463,385,568	477,045,568
Additions	25,606,000	-	1,749,063,134	1,774,669,134
	39,106,000	160,000	2,212,448,702	2,251,714,702
Depreciation				
At start of year	3,796,875	6,667	-	3,803,542
Charge for the year	6,039,234	19,167	-	6,058,401
	9,836,109	25,834	-	9,861,943
Net book value	29,269,891	134,166	2,212,448,702	2,241,852,759

	Motor vehicles USD (Memo)	Furniture and fittings USD (Memo)	Work in-progress USD (Memo)	Totals USD (Memo)
Cost				
At start of year	6,004	71	204,834	210,909
Additions	11,247	-	768,144	779,391
Exchange differences	(170)	(1)	(6,632)	(6,803)
At end of year	17,081	70	966,346	983,497
Depreciation				
At start of year	1,689	3	-	1,692
Charge for the year	2,652	8	-	2,660
Exchange differences	(45)	-	-	(45)
At end of year	4,296	11	-	4,307
Net book value	12,785	59	966,346	979,190

Year ended 31 March 2018	Motor vehicles Tshs	Furniture and fittings Tshs	Work in-progress Tshs	Totals Tshs
Cost				
Additions	13,500,000	160,000	463,385,568	477,045,568
Depreciation				
Charge for the year	3,796,875	6,667	-	3,803,542
Net book value	9,703,125	153,333	463,385,568	473,242,026



NOTES (CONTINUED)

11. Plant and equipments (continued)

Year ended 31 March 2018	Motor vehicles USD (Memo)	Furniture and fittings USD (Memo)	Work in-progress USD (Memo)	Totals USD (Memo)
Cost				
Additions	6,004	71	204,834	210,909
Depreciation				
Charge for the year	1,689	3	-	1,692
Net book value	<u>4,315</u>	<u>68</u>	<u>204,834</u>	<u>209,218</u>

Work in progress amounts incurred relate to factory set up and other works.

12. Trade and other receivables	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Other receivables	15,823,325	6,911	-	-
Deposits and prepayments	127,694,126	55,774	203,181,239	90,358
Receivables from related parties (Note 17 (i))	<u>68,250,300</u>	<u>29,810</u>	<u>-</u>	<u>-</u>
	<u>211,767,751</u>	<u>92,495</u>	<u>203,181,239</u>	<u>90,358</u>

13. Cash and cash equivalents

Cash at bank and in hand	3,120,606,405	1,363,008	454,325,571	203,242
Short term bank deposits	<u>9,134,120,000</u>	<u>3,989,571</u>	<u>-</u>	<u>-</u>
	<u>12,254,726,405</u>	<u>5,352,579</u>	<u>454,325,571</u>	<u>203,242</u>

The weighted average effective interest rate on short-term bank deposits at year-end was 2.45% per annum.

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Cash and bank balances	12,254,726,405	5,352,579	454,325,571	203,242
Less: Short term bank deposits	<u>(9,134,120,000)</u>	<u>(3,989,571)</u>	<u>-</u>	<u>-</u>
	<u>3,120,606,405</u>	<u>1,363,008</u>	<u>454,325,571</u>	<u>203,242</u>

The company's cash and bank balances are held with a major Tanzanian financial institution.

14. Trade and other payables

Other payables	<u>70,009,787</u>	<u>30,579</u>	<u>35,959,618</u>	<u>15,992</u>
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The carrying amounts of other payables approximate to their fair values.

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

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

15. Loan and advances

Hester Biosciences Limited (Note 17(ii))	<u>272,450,500</u>	<u>119,000</u>	<u>64,127,462</u>	<u>28,519</u>
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NOTES (CONTINUED)

16. Cash used in operations	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Reconciliation of loss before tax to cash used in operations:				
Loss before tax	(26,403,937)	(11,812)	(89,360,244)	(39,975)
Adjustments for:				
Depreciation on plant and equipment (Note 11)	6,058,401	2,660	3,803,542	1,692
Prior year deferred tax derecognised (Note 8)	26,403,937	11,812	-	-
Changes in working capital				
- trade and other receivables	(8,586,512)	(2,137)	(203,181,239)	(90,358)
- trade and other payables	34,050,169	14,587	35,959,618	15,992
- loan and advances	208,323,038	90,481	64,127,462	28,519
- amortisation of deferred capital grant	191,344,871	82,224	-	-
- short term bank deposits	(9,134,120,000)	(3,989,571)	-	-
Cash used in operations	<u>(8,702,930,032)</u>	<u>(3,801,755)</u>	<u>(188,650,861)</u>	<u>(84,131)</u>

17. Related party transactions and balances

The company is controlled by Hester Biosciences Limited a company incorporated in India, which owns 98% of the company's shares. The remaining 2% of the company's shares are held by Darayus Lakdawalla and Rajiv Gandhi .

The following balances arose from transactions with related parties.

i) Receivable from related party (Note 12)	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Hester Biosciences Tanzania Limited	<u>68,250,300</u>	<u>29,810</u>	<u>-</u>	<u>-</u>

The receivables from related parties are subject to interest free, have no specific dates of repayment and are unsecured.

ii) Loans and advances from related parties (Note 15)	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
- Hester Biosciences Limited	<u>272,450,500</u>	<u>119,000</u>	<u>64,127,462</u>	<u>28,519</u>

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

18. 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, interest rate risk), credit risk and liquidity 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.

Risk management is carried out by the management.



NOTES (CONTINUED)

18. Risk management objectives and policies (continued)

(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 non-performance by these counterparties.

None of the financial assets that are fully performing has been renegotiated in the last period.

(c) Liquidity risk

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.

19. 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.

20. Presentation currency

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



SCHEDULE OF EXPENDITURE

1. ADMINISTRATIVE EXPENSES	2019		2018	
	Tshs	USD (Memo)	Tshs	USD (Memo)
Employment				
Salaries and wages	193,254,190	84,886	-	-
NSSF expenses	19,325,419	8,489	-	-
WCF expenses	1,932,542	849	-	-
SDL expenses	6,056,343	2,660	-	-
Other staff costs	20,641,070	9,067	-	-
Total employment costs	241,209,564	105,951	-	-
2. Other administrative costs				
Audit fees	9,155,140	4,021	4,470,780	2,000
Bank charges	4,658,155	2,046	3,186,430	1,425
Professional and consulting fees	38,639,469	16,972	63,886,627	28,580
Stamp duty	1,741,928	765	1,347,123	603
Service charges	-	-	6,673,686	2,985
Commission for Guarantee	320,530,000	140,000	-	-
Office expenses	2,019,555	887	-	-
Vehicle running expenses	3,428,800	1,506	-	-
Labour expenses	1,221,000	536	-	-
Printing and stationery	764,237	336	-	-
Telephone and Internet	2,442,449	1,073	-	-
Survey expenses	9,269,050	4,071	-	-
Site expenses	20,911,230	9,185	-	-
Legal fees	3,471,970	1,525	-	-
Entertainment expenses	130,000	57	-	-
Total other administrative expenses	418,382,983	182,980	79,564,646	35,593
Total administrative expenses	659,592,547	288,931	79,564,646	35,593
3. OTHER OPERATING EXPENSES				
Establishment				
Rent and rates	171,952,862	75,530	-	-
Electricity and water	3,056,000	1,342	-	-
Insurance expenses	513,296	225	-	-
License and subscriptions	25,504,274	11,203	-	-
Repair and maintenance	2,593,907	1,139	-	-
Depreciation of plant and equipment	6,058,401	2,661	3,803,542	1,692
	209,678,740	92,100	3,803,542	1,692
4. Finance Costs				
Forex Gain/Loss	(1,627,567)	(715)	-	-

