

**JATU PUBLIC LIMITED COMPANY
P.O.BOX 42155
DAR ES SALAAM - TANZANIA**

**AUDITED FINANCIAL STATEMENTS
31ST DECEMBER 2017**

**HEKIMA ASSOCIATES
P. O. BOX 72861
DAR ES SALAAM.**

JATU PUBLIC LIMITED COMPANY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

TABLE OF CONTENTS

	Page
Directors' Report	1 - 2
Auditor's Report	4-7
Statement of Financial Position	9
Statement of Comprehensive Income	10 -11
Statement of Cash Flows	12
Notes to the Financial Statements	13-16

JATU PUBLIC LIMITED COMPANY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2017

DIRECTORS' REPORT

The Directors have the pleasure in submitting the report together with the financial statements for the year ended 31st December, 2017 which discloses the state of affairs of the company.

1 PRINCIPAL ACTIVITIES

The principal activities of the company as listed below;

- 1 Multi-Level Marketing Strategy
- 2 Agricultural activities
- 3 Industrial activities

COMPANY RESULTS SUMMARY

	2017 TZS
Sales Income	151,961,304
Cost of Sales	<u>92,759,358</u>
Gross Profit	59,201,946
Other income	<u>129,639,333</u>
Total Income	188,841,279
Profit (Loss) before tax	6,325,770
Tax for the year	-
Net Profit(Loss) After Tax	<u>6,325,770</u>

2 DIRECTORS

The directors of the Company who have held office between 1st January 2017 and the date of this report are:

<u>NAME</u>	<u>NATIONALITY</u>	<u>POSITION</u>
Peter Isare Gasaya	Tanzanian	Managing Director /Chairman
Esther Philemon Kiuya	Tanzanian	Director
Claudia Simon Albogasti	Tanzanian	Director
Eva Damasi Kapinga	Tanzanian	Director
Charles Mwita Gichogo	Tanzanian	Director
Aminiel Elimring Maro	Tanzanian	Director
Mariam Saidi Mrutu	Tanzanian	Director
Nicholaus Fulme	Tanzanian	Director

JATU PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2017

DIRECTORS' REPORT (Continued)

3 DIRECTORS' INTEREST

Directors' interests in the issued and paid up share capital of the company as at 31st December 2017 is shown hereunder:

<u>NAME OF SHAREHOLDER</u>	<u>NATIONALITY</u>	<u>SHAREHOLDING</u>	<u>SHAREHOLDING STRUCTURE (%)</u>
Peter Isare Gasaya	Tanzanian	11,020 Shares	35.9%
Nicholaus Fuime	Tanzanian	4,718 Shares	15.4%
Charles Mwita Gichogo	Tanzanian	4,718 Shares	15.4%
Esther Philemon Kiuya	Tanzanian	4,718 Shares	15.4%
Claudia Simon Albogasti	Tanzanian	4,718 Shares	15.4%
Aminiel Elimring Maro	Tanzanian	500 Shares	1.6%
Eva Damasi Kapinga	Tanzanian	250 Shares	0.8%
Mariam Saidi Mrutu	Tanzanian	80 Shares	0.3%
	TOTAL	<u>30,721 Shares</u>	<u>100.0%</u>

JATU PUBLIC LIMITED COMPANY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2017

DIRECTORS REPORT (Continued)

4 RESULTS AND DIVIDENDS

The financial results are set out on page 9 of this report.
The directors do not propose payment of dividend in year 2017.

5 AUDITORS

The Auditors, HEKIMA ASSOCIATES have expressed their willingness to audit our Financial Statements and form an independent opinion to these Financial Statements. They wish to continue in the office as auditors and are eligible for reappointment to carry out auditing of our Financial Statements.

6 STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS:

The Directors are required by the Company Act 2002 to prepare financial statements for each Financial year that give a true and fair view of the state of affairs of the company. It also require the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for

The directors therefore accepts the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with IFRS and in manners required by Company Act, 2002 .

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and its operating

The Directors further accepts responsibilities for maintenance of accounting records, which may be relied upon in preparation of financial statements as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate the company will not remain in going concern for at least the next twelve months from the date of these statements.

BY ORDER OF THE BOARD



Managing Director



29.09.2018

Date

JATU PUBLIC LIMITED COMPANY
DECLARATION OF THE REPORTING ACCOUNTANT

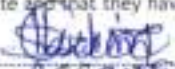
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/ Accounting responsible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

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility of the preparation of financial statements rests with the Board of Directors as under Directors responsibility statement on section 2.14 of the Directors report.

I CPA Sadam Ibrahim being the Accountant of JATU PUBLIC LIMITED COMPANY
Hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2017 have been prepared in compliance with applicable standards and statutory requirements

I thus confirm that the financial statements give a true and fair view and position of JATU PUBLIC LIMITED COMPANY as on that date and that they have been prepared based on properly maintained financial records.

Signature: 
Position: Accountant
NBAA Membership No: 9263
Date: 27/4/2018



Certified Public Accountant (In Public Practice), Ubungo Urafiki Flats; Tel: +255 784 354766/+255 767354766, P. O. Box 72861, Dar Es Salaam.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF JATU PUBLIC LIMITED COMPANY**

Unqualified Opinion

We have audited the accompanying financial statements of JATU Public Limited Company set out on page 8 to 17, which comprise the Statement of Financial Position as at 31 December 2017, the Statement of Comprehensive Income, Statement of Change in Equity, the Statement Cash Flows for the year then ended and the Summary of Significant Accounting Policies and other explanatory notes. The financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs).

In our opinion, the financial statements present fairly, in all material respects, the financial position of JATU Public Limited Company as at 31st December 2017, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (SMEs) and the Companies Act, 2002.

Basis of 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 JATU Public Limited Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Certified Public Accountant (In Public Practice), Ubungo Urafiki Flats, Tel: +255 784 354766/+255 767354766, P. O. Box 72861, Dar Es Salaam.

Responsibilities of Management and those charged with governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the school'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 management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the school's financial reporting process.

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 in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.



Certified Public Accountant (In Public Practice), Ubungo Urafiki Flats, Tel: +255 784 354766/+255 767354766, P. O. Box 72861, Dar Es Salaam.

- 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 school's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 school'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 school 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the school to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the school audit. We remain solely responsible for our audit opinion. 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.



Certified Public Accountant (In Public Practice), Ubungo Urafiki Flats, Tel: +255 784 354766/+255 787354766, P. O. Box 72861, Dar Es Salaam.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Tanzania Companies Act, 2002 and for no other purposes.

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 purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as it appears from examination of those books;
- iii. The Directors report is consistent with the financial statements;
- iv. Information specified by law regarding directors remuneration and transactions with the Company is disclosed; and
- v. The Company's financial statements are in agreement with the books of account.

Yours faithfully

Hekima Associates
Dar es Salaam

Signed by: 
Date: 27.04.2018



JATU PUBLIC LIMITED COMPANY

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Notes	31.12.2017 TZS
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	2	447,638,246
Current Assets		
Debtors	3	32,860,250
Prepaid rent		2,737,000
Stock		274,400
Tax credit		1,124,999
Cash in hand		20,725,536
Total Current Assets		<u>57,722,185</u>
TOTAL ASSETS		<u>505,360,431</u>
EQUITY AND LIABILITIES		
Authorised share capital	8,000,000 Shares each TZS 2,500	<u>20,000,000,000</u>
Issued and paid up Share Capital	5,148 Shares each TZS 1,000	5,148,000
Issued and paid up Share Capital	107,000 Shares each TZS 2,500	267,500,000
Retained Earnings/(Loss)		<u>6,325,770</u>
Total Equity		<u>278,973,770</u>
Liabilities		
Current Liabilities		
JATU SACCOS Loan		153,654,580
Trade creditors	4	67,161,641
Accruals	5	<u>5,570,440</u>
Total Current Liabilities		<u>226,386,661</u>
Total liabilities		<u>226,386,661</u>
TOTAL EQUITY AND LIABILITIES		<u>505,360,431</u>

The notes on Pages 11 to 13 form part of these Financial Statements.
Auditor's Report on Pages 4 to 7



Director

27/04/2018

Date

JATU PUBLIC LIMITED COMPANY
STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2017

	Notes	2017 TZS
Sales Income		151,961,304
Less: Cost of sales	6	<u>92,759,358</u>
Gross Profit		59,201,946
Add: Other income		<u>218,639,333</u>
Total Income		277,841,279
Less: Operating expenses:		
Vehicle Fuel Expenses		5,826,812
Travelling & Accommodation		10,460,200
Training & Seminars		360,000
Telephone and internet		1,650,238
Staff Uniforms		1,585,000
Security expenses		3,727,000
Wages		40,721,400
Repairs of business premises		2,134,500
Repair & Maintenance of equipment		9,698,500
Rent -Office and warehouse		13,348,000
Office rent- On-Fair		6,130,100
Public Relations		893,000
Printing & Stationery		7,942,100
Permits & Licenses		2,354,500
Office General Expenses		2,987,200
Medical Expenses		75,000
Legal expenses		215,000
Insurance		2,167,000
Agent rebates		2,086,000
Hire of equipment		488,400
Fines and Penalties		240,000
Decoration Expenses		612,000
Cleaning Expenses		328,000
Bank Charges & Commission		<u>743,944</u>
Sub total c/f		<u>116,773,894</u>

JATU PUBLIC LIMITED COMPANY
STATEMENT OF PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2017

	Notes	2017 TZS
Sub total b/f		116,773,894
Audit fees		3,500,000
Consultancy fees		490,000
Advertising		5,744,000
Skills Development Levy		600,660
Workers Compensation Fund		133,480
Withholding tax on consultancy		24,500
Withholding tax on rent		1,334,800
Stamp duty on rent		133,480
Depreciation		53,780,695
Total expenses		<u>182,515,509</u>
Profit(Loss) before tax		6,325,770
Tax Provision during the year		<u>-</u>
Profit(Loss) after tax for the year		<u>6,325,770</u>

STATEMENT OF RETAINED EARNINGS/(LOSS)

Retained Earnings/(Loss) B/F		-
Add: Profit/(Loss) after tax for the year		<u>6,325,770</u>
Total Retained Earnings/(Loss)		<u>6,325,770</u>
Less: Dividends Payable		<u>-</u>
Retained Earnings/(Loss) C/F		<u>6,325,770</u>

The notes on Pages 11 to 13 form part of these Financial Statements
Auditor's Report on Pages 4 to 7



 Director

27/04/2018
 Date

JATU PUBLIC LIMITED COMPANY
STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 31ST DECEMBER 2017

		2017 TZS
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		6,325,770
<i>Adjustments for:</i>		
Depreciation:		<u>53,780,695</u>
Operating Profit/(Loss) before changes in WC		60,106,465
CHANGES IN WORKING CAPITAL (WC)		
(Increase)/Decrease in debtors		(32,860,250)
(Increase)/Decrease in prepayments		(2,737,000)
(Increase)/Decrease in stock		(274,400)
Increase/(Decrease) in loan		153,654,580
Increase/(Decrease) in trade creditors		67,161,641
Increase/(Decrease) in accruals		<u>5,570,440</u>
Cash flow from operating activities		250,621,476
Tax Paid		<u>(1,124,999)</u>
Net Cash flow from operating activities	A	249,496,477
CASH FROM INVESTING ACTIVITIES		
Purchases of fixed assets		<u>(501,418,941)</u>
Cash Used by Investments	B	(501,418,941)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital		<u>272,648,000</u>
Net Cash flow from financing activities	C	<u>272,648,000</u>
Net (decrease)/increase in cash and cash equivalents	(A+B+C)	20,725,536
CASH AND CASH EQUIVALENTS AT		
Balance as at 1st January		<u>-</u>
Balance as at 31st December		<u>20,725,536</u>

*The notes on Pages 11 to 13 form part of these Financial Statements
Auditor's Report on Pages 4 to 7*

JATU PUBLIC LIMITED COMPANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these Financial Statements are set out below:

a) Basis of Preparation

The Financial Statements are prepared in accordance with and comply with International Financial Reporting Standards(IFRS). The Financial Statements are prepared under the historical cost convention.

b) Income Recognition

Income is recognized in the year in which it is earned except for dividends from trade investments, that are recognized when received.

c) Non Current Assets

Property, Plant and Equipments are recorded at purchase cost less accumulated depreciation.

Depreciation is calculated on a Straight Line Method to write off the cost of each asset or the revalued amounts evenly over its estimated useful economic shelf life as follows:

Description	Rate
Buildings	5%
Machineries	10%
Office Equipment	12.5%
Furniture & Fittings	12.5%
Tractor& Implements	25%
Computers	33.3%
Motor Vehicles	25%
Motor Cycles	12.5%

Depreciation is charged full in the year of acquisition and none in the year of disposal.

d) Trade and other Debtors

Trade and other receivables are stated at nominal value less write down for any amounts expected to be irrecoverable.

e) Trade and other Payables

Trade and other payables are stated at their costs.

f) Cash and cash equivalents

For purposes of cash flow statements, cash and cash equivalents, comprise cash in hand and banks.

g) Bad debts

Bad debts are written off when when all reasonable efforts to recover them have been done with failure.No bad debts reported as at 31st December 2017

JATU PUBLIC LIMITED COMPANY

NOTES TO THE MANAGEMENT ACCOUNTS CONTINUED

Notes MOVEMENT OF NON CURRENT ASSETS AS AT 31ST DECEMBER 2017

COST OR REVALUATION	Buildings		Machinery		Office Equipment		Furniture & Fittings		Tractors & Implements		Computers		Motor Vehicles		Motor Cycles		TOTAL	
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	
Bal as at 01.01.2017																		
Additions	251,802,000	129,941,941			9,669,000	10,109,000	43,500,000				12,047,000	42,350,000	2,000,000				501,418,941	
Bal as at 31.12.2017	251,802,000	129,941,941			9,669,000	10,109,000	43,500,000				12,047,000	42,350,000	2,000,000				501,418,941	
DEPRECIATION																		
Bal as at 01.01.2017																		
Charge for the Year	12,590,100	12,994,194			1,208,625	1,263,625	10,875,000				4,011,651	10,587,500	250,000				53,780,695	
Bal as at 31.12.2017	12,590,100	12,994,194			1,208,625	1,263,625	10,875,000				4,011,651	10,587,500	250,000				53,780,695	
NET BOOK VALUE																		
Bal as at 31.12.2017	239,211,900	116,947,747			8,460,375	8,845,375	32,625,000				8,035,349	31,762,500	1,750,000				447,638,246	

JATU PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	2017 TZS
Note 3 DEBTORS	
Trade debtors	<u>32,860,250</u>
	<u>32,860,250</u>
Note 4 TRADE CREDITORS	
EFTA	<u>67,161,641</u>
	<u>67,161,641</u>
Note 5 ACCRUALS	
Audit fees	3,500,000
Skills Development Levy	600,660
Workers Compensation Fund	133,480
Withholding tax on consultancy	199,500
Withholding tax on rent	1,057,000
Stamp duty on rent	<u>79,800</u>
	<u>5,570,440</u>
Note 6 OTHER INCOME BY SOURCE	
POSTERS	30,000
FORM CHARGES	21,200,000
JATU TRAINING BOOKS	1,005,000
BATIKI SALES	220,000
MEMBER CONTRIBUTIONS	17,883,333
OTHERS(IDs etc)	<u>89,301,000</u>
	<u>129,639,333</u>
Note 6 COST OF SALES	
Raw Materials	69,000,558
Materials Transportation	4,515,500
Packaging Materials	9,808,000
Labour Charges	5,105,900
Electricity	4,225,000
Water	<u>378,800</u>
Subtotal	93,033,758
Closing stock	<u>274,400</u>
Cost of Sales	<u>92,759,358</u>

JATU PUBLIC LIMITED COMPANY
TAX COMPUTATION AS AT 31ST DECEMBER 2017

	T(shs)	2017 <u>TZS</u>
Profit/(Loss) before tax		6,325,770
Add back:		
Depreciation	53,780,695	
Fines and Penalties	215,000	
Public Relations	893,000	
Vehicle Fuel Expenses	2,669,600	
Telephone	417,200	
Adjusted loss	<u>57,975,495</u>	
Less: Wear and tear allowance	64,301,265	
Unrelieved loss	<u>96,065,460</u>	
	<u>(31,764,195)</u>	
Tax		
Provisional tax paid	1,124,999	
Tax credit	<u>(1,124,999)</u>	

WEAR AND TEAR ALLOWANCE
FOR THE YEAR ENDING 31ST DECEMBER 2017

	T(shs) Class 1 37.5%	T(shs) Class 11 2.5%	T(shs) Class 111 12.5%	T(shs) Class V111 100%	T(shs) Class V1 5%	T(shs) Total
Written down Value as at 01.01.2017						
Additions	12,047,000	131,941,941	19,778,000	43,500,000	251,802,000	
Total	12,047,000	131,941,941	19,778,000	43,500,000	251,802,000	
Wear and tear	4,517,625	32,985,485	2,472,250	43,500,000	12,590,100	96,065,460
Written down Value as at 31.12.2017	<u>7,529,375</u>	<u>98,956,456</u>	<u>17,305,750</u>	<u>-</u>	<u>239,211,900</u>	